



Hazardous Waste Phase 2 Rulemaking – Wipes Rule Fiscal Impact Statement

Oregon Department of Environmental Quality
Headquarters Office
811 SW Sixth Avenue
Portland OR 97204

Contact: Jeannette Acomb – acomb.jeannette@deq.state.or.us – 503-229-6303

Fiscal and Economic Impact

If adopted, DEQ anticipates the Conditional Exclusions for Solvent-Contaminated Wipes federal rule will create cost savings for businesses managing their solvent-contaminated wipes.

The wipes regulation is less stringent than federal base rules because it allows exclusion of certain solvent-contaminated wipes from the solid waste and hazardous waste regulations. The regulation establishes two categories of wipes: reusable and disposable. This federal rule allows businesses to:

- 1: Dispose of spent, solvent-contaminated wipes at a solid waste municipal landfill (unless contaminated with trichloroethylene), a municipal incinerator, or at a treatment, storage, disposal facility as this rule excludes from the hazardous waste regulations, and
- 2: Reuse and recycle solvent-contaminated cloth wipes that are laundered, as this rule excludes these materials from the solid waste regulations.

The federal rule is more stringent for reusable wipes than Oregon DEQ's current *Contaminated Rags Destined for Laundering* policy. By following this policy, businesses are currently exempt from making hazardous waste determination for all laundered rags and wipes managed. The federal reusable rule applies only to wipes contaminated with F001- through F005-listed solvents, their corresponding P- or U-listed solvents, and those that exhibit only an ignitable characteristic.

Assumptions

If Oregon does not adopt the federal rule in whole or in part, all contaminated wipes will be subject to hazardous waste determinations and applicable management standards. DEQ used Environmental Protection Agency data to estimate fiscal impacts to generators and identified businesses if Oregon does adopt the federal rule.

Statement of Cost

State and federal agencies

The cost to comply with the proposed rules is identical to costs described under small and large businesses.

Oregon DEQ

Direct Impacts

The proposed rule may result in an indeterminable decrease in revenue for the hazardous waste program. This is because some businesses may lower their hazardous waste generator category, generators may pay less fees for hazardous waste disposal, and DEQ may receive less fees from permitted facilities.

Indirect Impacts

DEQ expects minor impacts for staff training and performing additional outreach to those eligible businesses through the hazardous waste technical assistance program, and enforcement guidance.

Local governments

If municipal landfills accept solvent wipes this may increase tipping fees from landfills, but their acceptance may also result in additional staff time for oversight costs.

Public

DEQ anticipates there will be no fiscal and economic impacts to the general public.

Large and Small Business

A small business is one with 50 or fewer employees.

The Regulatory Flexibility Act requires EPA to conduct economic assessments for small businesses before adopting rules. EPA determined the proposed rules would not have a significant economic impact on small businesses.¹

EPA estimates that the total annual costs of the final rule across all facilities in the United States is approximately \$6.3 million. EPA also estimates there will be total annual savings of approximately \$24.4 million across all affected facilities. EPA evaluated these costs and savings over a 10-year period. EPA further estimated cost savings by generator category, with no significant savings for conditionally exempt generators.²

The rule will have an overall cost savings after the first year. In the initial year of implementation, the regulated entities will have minor costs for understanding the rule, purchasing new equipment, and complying with the new requirements. After

¹ Source: EPA 2013 Impact Analysis, Regulatory Flexibility Act, p.85

² Source: EPA 2013 Impact Analysis, p.3

the first year, the annual benefits greatly outweigh the annual costs (see Appendix A). Cost savings include exclusions from hazardous waste requirements, less disposal costs, reduced management of free liquids, and less state fees and taxes.

The following table provides EPA estimates for the annual costs and savings of both reusable and disposable wipes:

Facility	One-Time Costs (\$)³	Annual Cost (\$)³	Annual Savings (\$)³	Net Annual Savings (\$)³
Large Quantity Generators	78	835	30,489	29,654
Small Quantity Generators	26	183	4,207	2,024
Handling Facilities	26	78	208	130

EPA estimated the affected handling facilities in Oregon include 14 laundries and 27 landfills. DEQ reviewed its current list of small and large quantity generators, and found this rule may affect approximately 500 listed active generators.

<p>a. Estimated number and type of small businesses subject to proposed rule.</p>	<p>Using recent employment data, DEQ found an estimated 2,133 businesses that may generate solvent-contaminated wipes in Oregon under 47 North American Industry Classification System codes.</p> <p>The businesses include:</p> <ul style="list-style-type: none"> 290 Printers 29 Business Copy Shops 6 Chemical Allied Products 178 Plastic and Rubber 81 Fabricated Metal Production 198 Industry Machine and Equipment 310 Furniture and Fixtures 28 Electric and Computers 48 Transportation Equipment 965 Auto Repair Shops <p>If this rule has an impact for the 2,133 small businesses listed above, it will most likely be positive in savings.</p>
<p>b. Projected reporting, recordkeeping and other administrative activities, including</p>	<p>This rule will likely present no additional requirements because most small businesses are Conditionally Exempt</p>

³ Source: EPA 2013 Impact Analysis, p.43

costs of professional services, required for small businesses to comply with the proposed rule.	Generators (CEGs)with limited hazardous waste management requirements.
c. Projected equipment, supplies, labor and increased administration required for small businesses to comply with the proposed rule.	This rule will likely present no additional requirements as most small businesses are CEGs. Projections for regulated generators are discussed above.
d. Describe how DEQ involved small businesses in developing this proposed rule.	DEQ included small business representatives on the Hazardous Waste Rulemaking Advisory Committee. Representatives from Associated Oregon Industries on the committee will advise DEQ on the cost of compliance for small businesses. DEQ will also provide rulemaking notice to eligible small businesses for additional fiscal and economic impact considerations.

Documents relied on for fiscal and economic impact

Document title	Document location
Federal Register entries for the incorporated rule and amendments	Federal Register
Federal: <i>Regulatory Impact Analysis for Conditional Exclusions from Solid Waste & Hazardous Waste for Solvent-Contaminated Wipes Final Rule</i>	EPA 2013 Impact Analysis
Oregon Annual Hazardous Waste Reporting for wipes/rags disposal in 2014	Oregon Department of Environmental Quality Hazardous Waste Program 811 SW Sixth Avenue Portland, OR 97204
Oregon Department of Employment 3 rd quarter 2015 data	Employment Department 875 Union Street NE Salem OR 97311

Advisory committee

DEQ appointed an advisory committee.

As ORS 183.333 requires, DEQ will ask for the committee’s recommendations on:

- Whether the proposed rules would have a fiscal impact,
- The extent of the impact, and
- Whether the proposed rules would have a significant, adverse impact on small businesses and if so, how DEQ can comply with ORS 183.540.

The committee will review the draft fiscal and economic impact statement and its findings will be in the record for this rulemaking.

The committee will evaluate whether the proposed rules would or would not have a significant adverse impact on small businesses in Oregon.

If the committee determines there would be a significant impact to small businesses, as ORS 183.333 and 183.540 require, the committee will consider how DEQ could reduce the rules' fiscal impact on small businesses by:

- Establishing differing compliance or reporting requirements or time tables for small business;
- Clarifying, consolidating or simplifying the compliance and reporting requirements under the rule for small business;
- Utilizing objective criteria for standards; or
- Establishing less intrusive or less costly alternatives applicable to small business.

Housing cost

As ORS 183.534 requires, DEQ evaluated whether the proposed rules would have an effect on the development cost of a 6,000 square-foot parcel and construction of a 1,200 square-foot detached, single-family dwelling on that parcel. DEQ determined the proposed rules would have no effect on the development costs because the proposed rule only affects businesses under the hazardous waste regulations.

Appendix A
EPA's Waste Management Cost Estimates (2013)

Exhibit 4-3 Average per-Facility Costs and Savings of the Final Rule, 2011 Dollars^{a,b,c}							
Cost Elements		Reusable Wipes			Disposable Wipes		
		LQGs	SQGs	Handling Facilities	LQGs	SQGs	Handling Facilities
One-time Costs							
Familiarization with the Final Rule	Reading the Final Rule	\$39	\$13	\$13	\$39	\$13	\$13
Annual Costs							
Familiarization with the Final Rule	Becoming Familiar with the Final Rule Requirements and Implementation Procedures/Practices	\$116	\$39	\$39	\$116	\$39	\$39
Containers for Solvent-Contaminated Wipes	Purchasing of Closed Containers	\$27	\$5	Not Applicable	\$25	\$3	Not Applicable
	Purchase of Labels	\$152	\$26	Not Applicable	\$140	\$19	Not Applicable
	Affixing Labels to Containers	\$63	\$11	Not Applicable	\$59	\$8	Not Applicable
Management of "Free Liquids"	Removing "Free Liquids" from Containers	Not Applicable	Not Applicable	Not Applicable	\$121	\$18	Not Applicable
	Management of "Free Liquids" Removed from Containers	Not Applicable	Not Applicable	Not Applicable	(\$75)	(\$23)	Not Applicable
Off-Site Management of Solvent-Contaminated Wipes	Avoided Hazardous Waste Manifest Costs	Not Applicable	Not Applicable	Not Applicable	(\$597)	(\$77)	Not Applicable
	Avoided Disposal Costs	Not Applicable	Not Applicable	Not Applicable	(\$29,639)	(\$3,970)	Not Applicable
Information Collection Requirements	Recordkeeping Requirements under the Final Rule	\$8	\$8	Not Applicable	\$8	\$8	Not Applicable
	Demonstrating Compliance with Final Rule Requirements	\$0	\$0	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Avoiding RCRA Information Collection Requirement Costs for SQGs that May Become CESQGs ^e	Not Applicable	Not Applicable	Not Applicable	Not Applicable	(\$113)	Not Applicable
Avoiding State Waste Fees and Taxes		Not Applicable	Not Applicable	Not Applicable	(\$178)	(\$24)	Not Applicable
Total Annual Costs (Savings)		\$366	\$88	\$39	(\$30,020)	(\$4,112)	(\$170)

^a Values in parentheses denote cost savings. Costs in the exhibit are rounded to the nearest whole number.
^b In the exhibit, "-" means that the cost element is not applicable to the type of facility.
^c Information on the derivation of the average per-facility cost (savings) is presented in Section 4.3.
^d The above exhibit presents "overall" cost per facility for demonstrating compliance with final rule requirements. These estimates were obtained by dividing the total costs for all facilities subject to inspection by the number of facilities in states that will adopt the rule.
^e The above exhibit presents "overall" costs per facility for avoided RCRA information collection requirements for SQGs that may become CESQGs. This estimate was obtained by dividing total costs for all SQGs by the number of SQGs in states that will adopt the rule.

Source: EPA 2013 Economic Analysis, p. 45