

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	State Air Pollution Control Board
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	9VAC5-20
<b>VAC Chapter title(s)</b>	General Provisions
<b>Action title</b>	Amend list of nonattainment areas (Rev. F22)
<b>Date this document prepared</b>	October 1, 2022

**Cost Benefit Analysis**

Table 1a must be completed for all actions. Tables 1b and 1c must be completed for actions (or portions thereof) where the agency is exercising discretion, including those where some of the changes are mandated by state or federal law or regulation. Tables 1b and 1c are not needed if **all** changes are mandated, and the agency is not exercising any discretion. In that case, enter a statement to that effect.

- (1) Direct Costs & Benefits: Identify all specific, direct economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (A direct impact is one that affects entities regulated by the agency and which directly results from the regulatory change itself, without any intervening steps or effects. For example, the direct impact of a regulatory fee change is the change in costs for these regulated entities.) When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo. One bullet has been provided, add additional bullets as needed.
- (2) Quantitative Factors:
  - (a) Enter estimated dollar value of total (overall) direct costs described above.
  - (b) Enter estimated dollar value of total (overall) direct benefits described above.
  - (c) Enter the present value of the direct costs based on the worksheet.
  - (d) Enter the present value of the direct benefits based on the worksheet.
- (3) Benefits-Costs Ratio: Calculate d divided by c OR enter it from the worksheet.
- (4) Net Benefit: Calculate d minus c OR enter it from the worksheet.
- (5) Indirect Costs & Benefits: Identify all specific, indirect economic impacts (costs and/or benefits), anticipated to result from the regulatory change. (An indirect impact is one that results from responses to the regulatory change, but which are not directly required by the regulation. Indirect impacts of a regulatory fee change on regulated entities could include a change in the prices they charge, changes in their operating procedures or employment levels, or decisions to enter or exit the regulated profession or market. Indirect impacts also include responses by other entities that have close economic ties to the regulated entities, such as suppliers or partners.) If there are no indirect costs or benefits, include a specific statement to that effect.

- (6) Information Sources: Describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (7) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

**Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)**

(1) Direct Costs & Benefits	<ul style="list-style-type: none"> <li>• <b>All</b> changes are mandated, and the agency is not exercising any discretion.</li> <li>• Amend the list of nonattainment areas to include the new nonattainment area for sulfur dioxide (SO<sub>2</sub>).</li> </ul> <p>Direct Costs: None.</p> <p>Direct Benefits: This action will enable the department to work with the lone affected facility (Lhoist - Kimballton), which is the basis for the nonattainment area designation, toward attaining the federally mandated clean air standard, which in turn will protect public health and welfare in Giles County as well as the rest of the Commonwealth. It will also enable the state to meet its legal obligations under the federal Clean Air Act, and ensure that the state has direct control over its regulated entities.</p>		
(2) Quantitative Factors	Estimated Dollar Amount	Present Value	
Direct Costs	(a) None.	(c) None.	
Direct Benefits	(b) None.	(d) None.	
(3) Benefits-Costs Ratio	None.	(4) Net Benefit	None.
(5) Indirect Costs & Benefits	Meeting its legal obligations under the federal Clean Air Act will enable Virginia to maintain control over its own regulated entities. It will also reduce the likelihood of EPA finding the state in arrears with its nonattainment plan obligations, and the potential for the imposition of planning and fiscal sanctions.		
(6) Information Sources	Clean Air Act		
(7) Optional			

**Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)**

Not required. All changes are mandated, and the agency is not exercising any discretion.

**Table 1c: Costs and Benefits under an Alternative Approach**

Not required. All changes are mandated, and the agency is not exercising any discretion.

**Impact on Local Partners**

- (1) Describe the direct costs and benefits (as defined on page 1) for local partners in terms of real monetary costs and FTEs. Local partners include local or tribal governments, school divisions, or other local or regional authorities, boards, or commissions. If local partners are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
  - (a) Enter estimated dollar value of total (overall) direct costs described above.
  - (b) Enter estimated dollar value of total (overall) direct benefits described above.
- (3) Indirect Costs & Benefits: Describe any indirect benefits and costs (as defined on page 1) for local partners that are associated with all significant changes. If there are no indirect costs or benefits, include a specific statement to that effect.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why they are not.
- (5) Assistance: Identify the amount and source of assistance provided for compliance in both funding and training or other technical implementation assistance.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

**Table 2: Impact on Local Partners**

(1) Direct Costs & Benefits	None.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) None.
Direct Benefits	(b) None.
(3) Indirect Costs & Benefits	There may be an indirect benefit to Giles County and its environs in that SO <sub>2</sub> is being controlled properly, and that the county will not need to seek controls beyond those required by the limited nonattainment area.

(4) Information Sources	Clean Air Act
(5) Assistance	
(6) Optional	

**Economic Impacts on Families**

- (1) Describe the direct costs and benefits (as defined on page 1) to a typical family of three (average family size in Virginia according to the U. S. Census) arising from any proposed regulatory changes that would affect the costs of food, energy, housing, transportation, healthcare, and education. If families are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
  - (a) Enter estimated dollar value of direct costs.
  - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe any indirect costs and benefits (as defined on page 1) to a typical family of three that are most likely to result from the proposed changes.
- (4) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (5) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

**Table 3: Impact on Families**

(1) Direct Costs & Benefits	None.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) None.
Direct Benefits	(b) None.

(3) Indirect Costs & Benefits	There will likely be indirect benefits to families as control of SO <sub>2</sub> pollution will protect public health and welfare.
(4) Information Sources	Clean Air Act
(5) Optional	

**Impacts on Small Businesses**

- (1) Describe the direct costs and benefits (as defined on page 1) for small businesses. For purposes of this analysis, “small business” means the same as that term is defined in § 2.2-4007.1. If small businesses are not affected, include a specific statement to that effect and a brief explanation of the rationale.
- (2) Quantitative Factors:
  - (a) Enter estimated dollar value of direct costs.
  - (b) Enter estimated dollar value of direct benefits.
- (3) Indirect Costs & Benefits: Describe the indirect benefits and costs (as defined on page 1) for small businesses that are most likely to result from the proposed changes.
- (4) Alternatives: Add a qualitative discussion of any equally effective alternatives that would make the regulatory burden on small business more equitable compared to other affected business sectors, and how those alternatives were identified.
- (5) Information Sources: describe the sources of information used to determine the benefits and costs, including the source of the Quantitative Factors. If dollar amounts are not available, indicate why not.
- (6) Optional: Use this space to add any further information regarding the data provided in this table, including calculations, qualitative assessments, etc.

Note: If any of the above information was included in Table 1, use the same information here.

**Table 4: Impact on Small Businesses**

(1) Direct Costs & Benefits	None.
(2) Quantitative Factors	Estimated Dollar Amount
Direct Costs	(a) None.
Direct Benefits	(b) None.

(3) Indirect Costs & Benefits	None.
(4) Alternatives	
(5) Information Sources	
(6) Optional	Lhoist - Kimballton is the only affected facility. Lhoist North America (LNA) is a subsidiary of the Lhoist Group, a multinational corporation headquartered in Belgium. LNA has become the premier supplier of lime, limestone and other mineral products in the North American market place. LNA employs 1,500 people at over 50 facilities throughout the United States and Canada. It is not a small business.

**Changes to Number of Regulatory Requirements**

*For each individual VAC Chapter amended, repealed, or promulgated by this regulatory action, list (a) the initial requirement count, (b) the count of requirements that this regulatory package is adding, (c) the count of requirements that this regulatory package is reducing, (d) the net change in the number of requirements. This count should be based upon the text as written when this stage was presented for executive branch review. Five rows have been provided, add or delete rows as needed.*

This regulatory amendment does not directly impose any new requirements on any facility. Rather, it ensures that the requirements for SO<sub>2</sub> nonattainment areas are implemented by the Commonwealth instead of the federal government, and enables the state to meet its federal obligations under the Clean Air Act.