



May 14, 2007

BY ELECTRONIC MAIL

The Honorable Ben Grumbles
Assistant Administrator, Office of Water
c/o Water Docket
U.S. Environmental Protection Agency
Mailcode 2822T
1200 Pennsylvania Ave., N.W.
Washington, D.C. 20460

RE: Docket ID No. EPA-HQ-OW-2006-0765, Submission of Technical Memorandum Evaluating the Proposal “NPDES Permit Fee Incentive for Clean Water Act Section 106 Grants; Allotment Formula” 72 Fed. Reg. 293 (Jan. 4, 2007)

Dear Assistant Administrator Grumbles:

The Office of Advocacy of the U.S. Small Business Administration (Advocacy) respectfully submits the accompanying technical memorandum prepared by E. H. Pechan & Associates, Inc., entitled “Evaluation of Allotment Formula for National Pollutant Discharge Elimination System (NPDES) Permit Fee Incentive for Clean Water Section 106 Grants.” The technical memorandum may be helpful to EPA in further assessing the potential impacts of the revised section 106 grant allocation formula on small entities.

On January 4, 2006, EPA proposed revisions to the Clean Water Act Section 106 grant allocation formula to create an incentive for states to fund NPDES programs through fees paid by dischargers. On March 2, 2007, Advocacy requested that EPA extend the comment period on its proposal for an additional 60 days, so that small entities could gather more detailed information about potential impacts. EPA reopened the comment period on March 15, 2007, accepting comments until May 14, 2007. 72 Fed. Reg. 12152 (March 15, 2007). Advocacy appreciates EPA’s willingness to extend the comment period. The reopening of the public comment period benefited small entities by enabling them to better understand how the proposal may affect them and to inform EPA of their concerns.

In order to help EPA better analyze potential impacts on small entities, Advocacy arranged for E.H. Pechan & Associates to review the available information about EPA’s proposal and provide an impact assessment. The accompanying technical memorandum concludes that although the proposal is likely to have impacts on some NPDES permit holders, it is difficult to quantify the impacts or isolate the impacts on small entities.

We remain ready to assist EPA in its consideration of how this proposal will impact small entities. Please do not hesitate to call me or Keith Holman (keith.holman@sba.gov or (202) 205-6936) if we can be of further assistance.

Sincerely,

/s/

Thomas M. Sullivan
Chief Counsel for Advocacy

/s/

Keith W. Holman
Assistant Chief Counsel

cc: The Honorable Susan E. Dudley, Administrator
Office of Information and Regulatory Affairs
Office of Management and Budget

Enclosure: "Evaluation of Allotment Formula for National Pollutant Discharge Elimination System (NPDES) Permit Fee Incentive for Clean Water Section 106 Grants – Technical Memorandum"