

Advocacy Submits Technical Memorandum Examining EPA's Proposal to Revise Clean Water Grant Allotments

On May 14, 2007, the Office of Advocacy (Advocacy) submitted a technical memorandum to the U.S. Environmental Protection Agency (EPA), evaluating potential impacts to small entities from a proposed change in the allotment formula used by EPA to make Clean Water Act grants to the states. The memorandum concludes that, based on available information, the proposal is likely to have impacts on some water discharge permit holders, although it is difficult to quantify those impacts or isolate the impacts borne by small entities.

- On January 4, 2007, the EPA proposed a change to the Clean Water Act Section 106 grant allocation formula to create a new incentive for states to fund their National Pollutant Discharge Elimination System (NPDES) programs though increased permit fees paid by NPDES permit holders.
- On March 2, 2007, Advocacy requested that EPA extend the comment period on the proposal for 60 days, in order to give small entities the opportunity to better understand and comment on how the proposal might affect them. On March 15, 2007, EPA agreed to reopen the comment period for 60 additional days.
- In order to help EPA better analyze potential impacts on small entities, Advocacy contracted with E.H. Pechan & Associates to review the available information about the proposal and conduct an impact assessment. Pechan found that NPDES permit fee increases could range from zero to more than a million dollars in different states. Because of unknown variables in the way that each state would deal with the grant incentive, researcher were unable to quantify the precise impacts of the proposal on small entities.

For further information regarding this issue, visit Advocacy's web site at: www.sba.gov/advo or contact Keith Holman at keith.holman@sba.gov or (202) 205-6533.