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B-297817

January 13, 2006

The Honorable James M. Inhofe  
Chairman  
The Honorable James M. Jeffords  
Ranking Minority Member  
Committee on Environment and Public Works  
United States Senate

The Honorable Joe Barton  
Chairman  
The Honorable John D. Dingell  
Ranking Minority Member  
Committee on Energy and Commerce  
House of Representatives

Subject: *Environmental Protection Agency: National Primary Drinking Water Regulations: Stage 2 Disinfectants and Disinfection Byproducts Rule*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Environmental Protection Agency (EPA), entitled “National Primary Drinking Water Regulations: Stage 2 Disinfectants and Disinfection Byproducts Rule” (RIN: 2040-AD38). We received the rule on December 20, 2005. It was published in the Federal Register as a final rule on January 4, 2006. 71 Fed. Reg. 388.

The Stage 2 Disinfectants and Disinfection Byproducts Rule provides for increased protection against the potential risks for cancer and reproductive and developmental health effects associated with disinfection byproducts.

Enclosed is our assessment of the EPA’s compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that EPA complied with the applicable requirements.

If you have any questions about this report, please contact James W. Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO evaluation work relating to the subject matter of the rule is Robert Robinson,

Managing Director, Natural Resources and Environment. Mr. Robinson can be reached at (202) 512-3841.

signed

Kathleen E. Wannisky  
Managing Associate General Counsel

Enclosure

cc: Louise Wise  
Principal Deputy Associate Administrator  
Environmental Protection Agency

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE  
ISSUED BY THE  
ENVIRONMENTAL PROTECTION AGENCY  
ENTITLED  
"NATIONAL PRIMARY DRINKING WATER REGULATIONS: STAGE 2  
DISINFECTANTS AND DISINFECTION BYPRODUCTS RULE"  
(RIN: 2040-AD38)

(i) Cost-benefit analysis

EPA estimates that the current annualized public and private costs would be \$78.8 million in 2003 dollars at a 3-percent discount rate.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607, and 609

The Administrator of EPA has certified that the final rule will not have significant economic impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

EPA has determined that the final rule may contain a federal mandate that results in the expenditure of \$100 million or more for state, local, and tribal governments, in the aggregate in the private sector in any one year. While the annualized costs are below \$100 million currently, in the future the costs could be in excess of \$100 million. EPA has prepared the required written statement and analysis in accordance with the Act.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

The final rule was published using the notice and comment procedures found at 5 U.S.C. 553. On August 18, 2003, EPA published a Notice of Proposed Rulemaking in the Federal Register. 68 Fed. Reg. 49548. In the preamble to the final rule, the comments received are discussed.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The final rule contains information collections that have already been approved by the Office of Management and Budget under the Paperwork Reduction Act and assigned Control No. 2040-0265.

Statutory authorization for the rule

The final rule was promulgated under the authority found in the 1996 Safe Drinking Water Act Amendments, particularly section 1412(b)(2)(c).

Executive Order No. 12866

The final rule was reviewed by OMB and found to be an “economically significant” regulatory action under the order.

Executive Order No. 13132 (Federalism)

EPA states that the final rule does not have federalism implications under the order.