

Advocacy Submits Comments on EPA's Proposed Lead and Copper Rule Revisions

On September 15, 2006, the U.S. Small Business Administration's Office of Advocacy (Advocacy) submitted comments to the U.S. Environmental Protection Agency (EPA) on EPA's *Proposed National Primary Drinking Water Regulations for Lead and Copper: Short-term Regulatory Revisions and Clarifications Rule*.

EPA's proposed rule is intended to strengthen the implementation of the Lead and Copper Rule (LCR) in the following areas: monitoring, treatment processes, customer awareness, and lead service line replacement. The proposed changes are designed to provide more effective protection of public health by reducing exposure to lead in drinking water. Advocacy recommends that EPA subcategorize regulated small entities in order to better understand the impact of the proposed rule on small water systems of varying sizes.

- Advocacy's comments focus on EPA's use of a single small business size category of 10,000 users or fewer for regulated water systems.
- Advocacy believes that EPA should subcategorize the regulated small entities in order to better understand the impact of the rule on small water systems of varying sizes.
- EPA's use of a single size category for small water systems serving 10,000 users or fewer without subcategorizing small water systems into subcategories dilutes the impact of the rule by using a single revenue figure instead of revenues reflecting four different size systems. In the case of this rule, EPA's use of a single size category underestimates the regulatory impact on small systems of fewer than 100 users by a factor of more than fifty. Fortunately, the cost of this particular rule was small enough that EPA could still properly certify the rule as not having a significant economic impact using the correct methodology.
- Advocacy believes that industry subcategorization should be adopted as a general principle of regulatory flexibility analysis.

A complete copy of Advocacy's letter to EPA is available at www.sba.gov/advo/laws/comments. For more information about the rule, please contact Kevin Bromberg, Assistant Chief Counsel, at (202) 205-6964 or kevin.bromberg@sba.gov.