

POTPOURRI NOTICE

Department of Environmental Quality
Office of Management and Finance

Amendments to Office of the Secretary, Air, Hazardous Waste, Solid Waste, Water Quality,
Underground Storage Tank, and Radiation Protection Regulations for Fees
MM018
Risk/Cost/Benefit Statement

Introduction

The Louisiana Department of Environmental Quality (LDEQ) is proposing amendments to the Office of the Secretary, Air, Hazardous Waste, Solid Waste, Water Quality, Underground Storage Tank, and Radiation Protection Regulations that would increase the fees collected in these programs. The department collects these fees from members of the regulated community covered by these programs. The majority of increases are designated for the Environmental Trust Fund, while there are minor increases to the Motor Fuel Trust Fund, the Waste Tire Trust Fund and the Lead Hazard Reduction Fund. Act 451 of the 2016 Regular Session of the Louisiana Legislature authorized the increase in fees. (1703Pot1)

This statement is prepared to satisfy the requirements of R.S. 30:2019.D and R.S. 49:953.G (Acts 600 and 642 of the 1995 Louisiana Legislature, respectively). However, this document is not a quantitative analysis of cost, risk, or economic benefit, although costs of implementation were identified to the extent practical. The statutes allow a qualitative analysis of economic and environmental benefit where a more quantitative analysis is not practical. The department asserts that the benefits of a rule designed to retain personnel in departmental programs justify the costs associated with the fee increases passed by the Louisiana Legislature during the 2016 Regular Session.

Fiscal analysis of the department indicates a need for increased revenue to properly perform the necessary functions of the department. Currently, the only source of funding for the department is through fees charged for services provided. An increase in fees is necessary to properly fund the department.

An analysis was made of the department's historical expenditures necessary to operate the programs and to enforce the regulations required by state and federal law. These expenditures include the costs associated with the issuance of permits, licenses, and registrations; enforcement; surveillance; and all other program costs including equipment, training, and other related expenses. These expenditures were compared to the revenue generated for each program (e.g., air, water, hazardous waste, solid waste, etc.) with the fee structure in place prior to this legislation. The percentage increases proposed for the fees for each program were aligned with the existing funding deficiency and intended to generate sufficient revenues to support all program operations.

Therefore, the qualitative approach is taken with the risk/cost benefit statement. As discussed further in this document, these amendments to the Office of the Secretary, Air, Hazardous Waste, Solid Waste, Water Quality, Underground Storage Tank, and Radiation Protection Regulations provide environmental and economic benefits. Assessing dollar benefits of avoided environmental risk or the economic benefits of this rule is not practicable. In addition, the department asserts that the indirect and direct environmental and economic benefits to be derived from this rule will, in the judgment of reasonable persons, outweigh the costs associated with the implementation of the rule and that the rule is the most cost-effective alternative to achieve these benefits.

Risks Addressed by the Rule

The rule addresses the risks associated with the potential pollution or toxic releases caused or exacerbated by inadequate or lack of department-sponsored surveillance, enforcement, and emergency response. The rule does this by providing the funds necessary to allow the department to maintain current staffing levels and ensure federal, state, and local environmental regulations are properly applied and monitored. Without a revenue increase, the department would no longer be able to operate at current staffing levels in the next several years. If staffing was further reduced, the department would be unable to meet its obligations to the public, industry, oversight entities, and other stakeholders.

Environmental and Health Benefits of this Rule

The additional funds collected through this rule will provide the revenue necessary to carry out the legal mandates of the department. This will result in multimedia inspections of waste-producing facilities around the state as required by local, state, and federal mandates. The fees will allow the monitoring of facilities that is necessary for curbing or preventing releases into the environment. The fee increases will also contribute to the discovery and remediation of unauthorized waste sites around the state. Overall, the increases will allow LDEQ to continue monitoring and maintaining the state's air, water, and land resources, further preventing any incidents or occurrences that may jeopardize the safety or health of Louisiana's citizens.

Social and Economic Costs

This rule is an amendment to raise fees that are already assessed or assess fees for work already being performed, and as such, there are no significant costs to implement the rule. Representatives of the regulated community are in favor of the proposed increase to fund the department at a level necessary to carry out its mandates.

Persons currently regulated by the Office of the Secretary, Air, Hazardous Waste, Solid Waste, Water Quality, Underground Storage Tank, and/or Radiation Protection Regulations would pay additional fees beginning in fiscal year 2018. These new fees would generate an estimated \$9.4 million annually in statutory-dedicated fees.

Persons directly affected will pay additional fees; however, these fees will provide benefits in excess of the fees. The adequate monitoring of regulated facilities would reduce or

prevent unauthorized releases into the environment. In addition, health hazards will be removed in the form of unauthorized waste sites, and sites that may endanger the health of Louisiana citizens can be properly remediated. These functions will not only protect human health and the environment, but will aesthetically enhance the state for the benefit of its citizens.

Conclusion

The department believes that the benefits of maintaining the environmental and public health protection outweigh the costs of implementation of the rule. Therefore, the department concludes that the rule is the most cost-effective alternative to achieve these benefits.

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Undersecretary