

**Mercury Control Program
December 2, 2005**

FORM # 4, Part 1

**NEVADA STATE ENVIRONMENTAL COMMISSION
SMALL BUSINESS IMPACT DISCLOSURE PROCESS
PURSUANT TO 233B "Nevada Administrative Procedures Act"**

RE: Proposed New Mercury Air Emissions Control Program, NAC Chapter 445B AIR CONTROLS: AIR POLLUTION
By: Nevada Division of Environmental Protection (NDEP), Bureau of Air Pollution Control and Bureau of Air Quality Planning

Note: Small Business is defined as a "business conducted for profit which employs fewer than 150 full-time or part-time employees" (NRS 233B.0382).

1. Does this proposed regulation impose a direct and significant economic burden upon a small business? ANSWER: The proposed regulatory program applies to all precious metals mining facilities that process mercury-containing ore and use thermal treatment processes that have the potential for liberating mercury into the atmosphere, including small businesses. The regulation provides a new fee structure for mercury permit applications and annual program maintenance fees. The fees are necessary to cover agency costs for implementing the program.

2. Does this proposed regulation restrict the formation, operation or expansion of a small business? ANSWER: No.

3. If **Yes** to either of questions 1 & 2, the following action must be taken:

A. Was a small business impact statement prepared and was it available at the public workshop(s). ANSWER: Yes. Attached.

B. Attach the Small Business Impact Statement (Part 2) as part of Form #4 upon submission of the proposed regulation to the State Environmental Commission when Form #1 (petition to the Commission) is submitted.

SMALL BUSINESS IMPACT STATEMENT
FORM #4 - Part 2
(NRS 233B.0609)

1. Describe the manner in which comment was solicited from affected small businesses, a summary of the response from small businesses and an explanation of the manner in which other interested persons may obtain a copy of the summary.

The new mercury regulation applies to all precious metals mining companies that process mercury-containing ore and use thermal treatment processes that have the potential for liberating mercury into the atmosphere.

The affected facilities were invited to a series of meetings, followed by conference calls and electronic correspondence to develop draft amendments that would be acceptable to all stakeholders. NDEP worked closely with the Nevada Mining Association, which represents all mining interests in Nevada, in developing the mercury control program. All permitted sources (approximately 600) were sent notification of the public workshops in Elko on December 13, 2005 and in Carson City on December 15, 2005. The purpose of the workshops is to receive public comments, which are subsequently evaluated and incorporated into the amendments.

Copies of any written comments received and workshop attendance sheets will be available from NDEP, Bureau of Air Pollution Control at (775) 687-9356 or by e-mailing amalone@ndep.nv.gov.

2. The estimated economic effect of the proposed regulation on small businesses:

Because of the additional costs associated with processing these new types of applications and issuing permits related to the mercury control program, NDEP has added specific permitting fees necessary to cover agency costs. These costs will be borne by the sources that are subject to the program.

3. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses.

NDEP requested that the industry propose the fee structure, given the estimated cost of two additional staff and equipment to implement the program.

4. The estimated cost to the agency for enforcement of the proposed regulation.

There will be additional costs to the agency for processing the new types of applications and issuing permits associated with the mercury control program. There will also be additional costs associated with compliance and enforcement activities. These additional costs will be covered by the modifications to the fee structure that are being

proposed as part of this package.

5. If this regulation provides for a new fee or increases an existing fee, the total annual amount the agency expects to collect and manner in which the money will be used.

The amount of fees that will be collected will equal the cost of adding two staff, training and equipment to implement the program. The costs are estimated to be approximately \$296,000 the first year and \$258,000 in subsequent years. All fees collected shall be used to support the program.

6. If the proposed regulation includes provisions that duplicate or are more stringent than federal, state or local standards regulating the same activity, provide an explanation of why the proposed regulation is duplicative or more stringent and why it is necessary.

The proposed regulations are no more stringent than what is established by federal law.

This small business impact disclosure is being made available at the public workshops being held in Elko on December 13, 2005 and in Carson City on December 15, 2005. Copies may also be obtained by calling Adele Malone at (775) 687-9356 or e-mailing amalone@ndep.nv.gov or on line at sec.nv.gov.