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November 21, 2002

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

The Honorable W.J. "Billy" Tauzin
Chairman
The Honorable John D. Dingell
Ranking Minority Member
Committee on Energy and Commerce
House of Representatives

Subject: *Environmental Protection Agency: Control of Emissions From Nonroad Large Spark-Ignition Engines, and Recreational Engines (Marine and Land-Based)*

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, entitled "Control of Emissions From Nonroad Large Spark-Ignition Engines, and Recreational Engines (Marine and Land-Based)" (RIN: 2060-AI11). We received the rule on September 17, 2002. It was published in the Federal Register as a final rule on November 8, 2002. 67 Fed. Reg. 68242.

The final rule adopts emission standards for several groups of nonroad engines that have not been subject to EPA emission standards. These are large spark-ignition engines such as those used in forklifts and airport ground-service equipment; recreational vehicles using spark-ignition engines such as off-highway motorcycles, all-terrain vehicles, and snowmobiles; and recreational marine diesel engines.

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 the 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: Jay Benforado
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
"CONTROL OF EMISSIONS FROM NONROAD
LARGE SPARK-IGNITION ENGINES, AND
RECREATIONAL ENGINES (MARINE AND LAND-BASED)"
(RIN: 2060-AI11)

(i) Cost-benefit analysis

EPA performed a cost benefit-analysis of the final rule and estimates that the annual cost to manufacturers is approximately \$210 million, the social gain is approximately \$550 million, and the quantified benefits are approximately \$8 billion. EPA defines social gain as the economic cost of the rule minus the estimated fuel savings. Quantified benefits reflect the health benefits primarily associated with particulate-matter controls.

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

After conducting an Initial Regulatory Flexibility Analysis, EPA has concluded that the final rule will not have a 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 states that the final rule contains federal mandates that may result in expenditures of more than \$100 million to the private sector in any single year. EPA believes that the final rule represents the least costly, most cost-effective approach to reach the air-quality goals of the rule. The rule does not impose any intergovernmental mandates.

(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 issued using the notice and comment procedures found at 5 U.S.C. 553. On October 5, 2001, EPA issued a Notice of Proposed Rulemaking in the Federal Register. 66 Fed. Reg. 51098. EPA prepared a Summary and Analysis of Comments document, which is part of the rulemaking docket and is available on the internet.

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

EPA states that the information collection requirements contained in the final rule will be submitted to the Office of Management and Budget for review under the Paperwork Reduction Act. When the collections are approved, a separate notice will be published in the Federal Register.

Statutory authorization for the rule

The final rule was promulgated under the authority contained section 213(a) of the Clean Air Act, 42 U.S.C. 7547(a).

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 found that the final rule does not have sufficient federalism implications to warrant the preparation of a federalism assessment.