Recovery and Oils Treatment Markets. These higher price increases occur because of the poor treatment operations currently in place (only one facility in the Oils Recovery treats the wastewater generated from the oil recovery process). Price increases may occur in this market because the present market has inadequate treatment for the wastes generated.

Significant price increases have potential effects on the users of CWT services. In order to account for impacts on the users of CWT services, EPA estimated the consumer surplus share of dead weight loss of the proposed regulation to be \$6.8 million 1993 dollars for Regulatory Option 1 (the combination of Metals Option 3, Oils Option 2, and Organics Option 1) and \$13.4 million 1993 dollars for Regulatory Option 2 (the combination of Metals Option 3, Oils Option 3, and Organics Option 1). These costs are not additive to the direct implementation costs of the proposed regulation due to differences in the technique for calculating the consumer surplus costs. But the costs indicate the burden is not excessive in the context of the rule.

7. Impacts of BPT/BCT/BAT

Complying with the BPT/BCT/BAT effluent limitations guidelines and standards will increase the cost of treating CWT wastes at affected direct dischargers. This in turn will reduce the number of facilities providing CWT services, resulting in an increase in the market price of the treatment services and a decrease in use of CWT services. EPA projects that changes in the prices of CWT services, combined with facility-specific changes in the costs of treatment and the quantities of waste treated, will result in changes in facility costs and revenues from services sold. These changes result in changes in the revenues and costs of companies owning CWT facilities. In addition, changes in the liabilities and assets of companies owning CWT facilities result from the borrowing and purchasing of capital equipment associated with complying with the regulation. Thus, overall company viability may change as a result of complying with the effluent limitations guidelines and standards. The Agency conducted an analysis using a multi-discriminant function called the Z-score, which combines several financial ratios, to estimate changes in the likelihood of company bankruptcy that result from compliance with the guidelines and standards. As shown in Table VI.C-3, one company owning a direct discharger is predicted to be likely to become bankrupt under both Regulatory Options

1 and 2. However, this company was also predicted to be bankrupt at baseline (see Table VI.C-2), so the Regulatory Options for BPT/BCT/BAT do not have an incremental adverse effect on the viability of companies owning direct dischargers.

8. Impacts of PSES

Complying with the PSES standards will increase the cost of treating CWT wastes at affected indirect dischargers. This in turn will reduce the supply of CWT services, resulting in an increase in the market price and a decrease in use of CWT services. Changes in the prices of CWT services, combined with facility-specific changes in the costs of treatment and the quantities of waste treated, result in changes in facility costs and revenues from services sold. These changes result in changes in the revenues and costs of companies owning CWT facilities. In addition, changes in the liabilities and assets of companies owning CWT facilities result from the borrowing and purchases of capital equipment associated with complying with the regulation. Thus, overall company viability may change as a result of complying with the effluent limitations guidelines and standards. As with BPT/BCT/BAT, the Agency used the Z-score to estimate changes in the likelihood of company bankruptcy that result from compliance with the guidelines and standards. As shown in Table VI.C-4, EPA projects that nine companies owning indirect dischargers will likely become bankrupt under Regulatory Option 1, and eight companies owning indirect dischargers are likely to become bankrupt under Regulatory Option 2. At baseline, EPA analysis shows that five companies owning indirect dischargers are bankrupt. Thus, the PSES controls are predicted to result in only an incremental impact on company viability.

With the PSES controls under Regulatory Option 1, four additional companies owning indirect dischargers are predicted to become bankrupt. Under Regulatory Option 2, three additional companies owning indirect dischargers are predicted to become bankrupt. Although the costs are higher in general under Regulatory Option 2, the data show that the companies owning indirect dischargers that incur these higher costs are better able to withstand the impacts.

To the extent that predicted bankruptcies result in closure of CWT facilities, the cost of such closure are attributable to this action. EPA has not calculated the cost of closure for the treatment operations although for

RCRA-permitted facilities, under some circumstances, such costs may be significant. The EPA solicits comment on the probability for closure of such facilities impacted by the proposed regulation and the costs associated with closure of the treatment operations.

9. Community Impacts of the Regulatory **Options**

Overall, the communities in which CWT facilities are located are expected to experience fairly small, and generally positive, increases in employment as a result of the Regulatory Options. In addition to the negative employment changes estimated for facilities becoming unprofitable under Options 1 and 2, employment increases may occur in some facilities due to the operational changes related to the new regulations or due to the increase in volume of waste treated. These changes in employment may be positive for CWT facilities made better off by the regulation (for example, those who sell more services), or they may be negative for facilities becoming less profitable but not moving from profitable to unprofitable. Nationwide, facilities becoming unprofitable reduce their employment by 44 employees under Regulatory Option 1 and by 52 employees under Regulatory Option 2. Combined with market-related increases and decreases in employment at other facilities, the total market-related reduction in employment under Regulatory Option 1 is estimated to be 378 employees. Under Regulatory Option 2, the national market-related reduction employees is estimated to be 501 employees.

These decreases in employment result from market adjustments to the proposed regulations must be compared to the employment increases estimated to be required for operation and maintenance of the controls. A large percentage of the costs estimated for facilities is attributed to the high annual operating and maintenance costs. The Agency estimates that the proper handling and treatment of the concentrated wastes will require additional personnel and tanks to segregate and monitor the wastes being treated. Therefore, under Regulatory Option 1, the labor requirements of the controls are estimated to be 710 employees. Under Regulatory Option 2, the labor requirements are estimated to be 735 employees. Overall, employment is projected to increase by 333 employees under Regulatory Option 1 and by 234 employees under Regulatory Option 2. Thus, we expect communitylevel impacts to be small and generally

positive.