



Economic Impact Analysis Virginia Department of Planning and Budget

4 VAC 25-90 – Rules and Regulations Governing the Use of Diesel Powered Equipment in Underground Coal Mines

Department of Mines, Minerals and Energy

August 19, 2011

Summary of the Proposed Amendments to Regulation

The Board of Mines, Minerals and Energy proposes to delete the language requiring the use of the Mine Safety and Health Administration's engine approval data in establishing the baseline of diesel exhaust emissions in underground coal mines.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

These regulations establish emission testing and evaluation requirements for diesel engines used in underground coal mines.

The proposed changes will delete the current language requiring the use of the Mine Safety and Health Administration's engine approval data in establishing the baseline of diesel exhaust emissions in underground coal mines. This data is currently required to be used in combination with the average of the first four undiluted exhaust emission tests. With the proposed change, baseline emissions will be required to be based solely on the average of the first four undiluted exhaust emission tests. According to the Department of Mines, Minerals and Energy (DMME), the Mine Safety and Health Administration's data is not used in practice to establish baseline emissions because it is produced in a laboratory environment which does not accurately reflect the real world conditions underground where diesel equipment is used. Since deletion of this language will have no impact on the way baseline emissions are currently established, no significant economic impact is expected other than improving the clarity of the

regulations and possibly streamlining the approval process by eliminating potentially confusing language.

Businesses and Entities Affected

These regulations apply to approximately 36 operators of 65 underground coal mines in Virginia.

Localities Particularly Affected

The proposed regulations apply throughout the Commonwealth. However, according to DMME, coal mines are located exclusively in the counties of Buchanan, Tazewell, Wise, Lee, Dickenson, and Russell.

Projected Impact on Employment

No significant impact on employment is expected.

Effects on the Use and Value of Private Property

No significant impact on the use and value of private property is expected.

Small Businesses: Costs and Other Effects

No costs or other significant impact on small businesses are expected. The proposed changes do not impose any costs on regulated entities. Also, of the regulated 36 operators, DMME believes only a few, if any, are small businesses due to increased consolidation in the mining industry. Finally, other effects of the proposed changes are not expected to be significant.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed regulations do not impose any adverse impacts on small businesses.

Real Estate Development Costs

No significant impact on real estate development costs is expected.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 107 (09). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities

to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.