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FISCAL IMPACT REPORT



SPONSOR: Russell DATE TYPED: 02/07/02 HB HJM 89

SHORT TITLE: Protest New Arsenic Standard SB _____

ANALYST: J. Sandoval

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC files

Responses Received From

Department of Health

No Response

Governor

State Engineer

Department of Environment

SUMMARY

House Joint Memorial 89 requests the Governor and the Department of Environment to vigorously protest and appeal the decision by the environmental Protection Agency (EPA) to lower the arsenic standard from 50 ppb (parts per billion) to 10 ppb.

Significant Issues

The primary issues relating to the implementation of the new EPA standard are the financial impact to the state and the scientific basis for the new standard. The NM Environment Department and the City of Albuquerque have, in the past (3/15/01), formally challenged the new standard of 10 ppb on this basis.

FISCAL IMPLICATIONS

In order to comply with this new standard issued by the EPA it would cost New Mexico \$400,000.0 to rebuild water treatment facilities plus approximately \$20,000.0 annually in additional operation expenses.

According to the Department of Health, "EPA plans to provide up to \$20 million over the next two years for research and development of more cost-effective technologies to help small systems (a majority of NM's systems) meet the 10 ppb standard. EPA will continue to provide direct funding to States for their drinking water programs through the Public Water Systems Supervision grants program. Since 1996, the Drinking Water State Revolving Loan Fund has made over \$3.7 billion available for loans to help water systems improve their infrastructure."

TECHNICAL ISSUES

On page 2, lines 6 through 8 it states, that the EPA cannot produce data to demonstrate adverse health effects of the current arsenic levels in New Mexico water. According to the Department of Health, three independent panel reports have presented data relating high arsenic levels with health problems.

OTHER SUBSTANTIVE ISSUES

According to the Department of Health, the EPA's review of alternative standards other than 10 ppb found that at 10 ppb, the health benefits outweighed the costs. For example, reducing arsenic from 50 ppb to 10 ppb will prevent 19-31 cases of bladder cancer per year, 19-25 cases of lung cancer, and numerous other cases of non-cancerous diseases.

POSSIBLE QUESTIONS

1. In the EPA's study that shows that a 10 ppb standard for arsenic in drinking water lowered certain forms of cancer, what was the size of the population studied and what was the level of arsenic in the drinking water of the population that was being compared to the first population?
2. How much financial assistance will New Mexico receive from the Federal Government (EPA) to help the State meet the new EPA standard for arsenic?
3. What areas of the state are most affected by this new EPA standard?

JFS/njw