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BY THE COMPTROLLER GENERAL
Report To The Chairman, Subcommittee On
Oversight And Investigations
Committee On Energy And Commerce
House Of Representatives
OF THE UNITED STATES

EPA's Delegation Of Responsibilities To Prevent Significant Deterioration Of Air Quality: How Is It Working?

The Clean Air Act of 1963, as amended, authorizes the Environmental Protection Agency (EPA) to delegate operational responsibilities for national air pollution prevention and control programs to state and local governments whenever possible.

GAO reviewed EPA's delegation of the Prevention of Significant Deterioration Program to six states within three EPA regions and found that EPA had taken steps to ensure that those state agencies had the legal authority, technical capabilities, and resources needed to administer the program before delegating responsibilities to them. GAO also found no significant differences in levels of effort between EPA and those states in carrying out the program activities before and after delegation.

GAO noted that the three EPA regions it reviewed had not consistently maintained EPA's Compliance Data System and, as a result, the status of air pollution control program activities may not be current. GAO recommends that the EPA Administrator reevaluate the importance of the system as an oversight tool.



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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20548

B-217786

The Honorable John D. Dingell
Chairman, Subcommittee on
Oversight and Investigations
Committee on Energy and Commerce
House of Representatives

Dear Mr. Chairman:

As requested in your February 8, 1983, letter and our subsequent discussions with your office, this report describes the Environmental Protection Agency's (EPA's) efforts to delegate the operational responsibilities of the Prevention of Significant Deterioration Program, established by Section 160 of the Clean Air Act, to six state agencies. The report also describes the actions of those states in carrying out their delegated responsibilities and EPA's oversight role after delegation.

As arranged with your office, unless you publicly release its contents earlier, we plan no further distribution of this report until 30 days after the issue date. At that time we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

A handwritten signature in black ink that reads "Charles A. Bowsher".

Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS
COMMITTEE ON ENERGY AND COMMERCE
HOUSE OF REPRESENTATIVES

EPA'S DELEGATION OF
RESPONSIBILITIES TO PREVENT
SIGNIFICANT DETERIORATION
OF AIR QUALITY: HOW IS IT
WORKING?

D I G E S T

A primary goal of the Clean Air Act of 1963 is to protect and enhance the quality of the nation's air. The Environmental Protection Agency (EPA) administers the act, delegating operational responsibilities for implementing the act's air pollution prevention and control programs to state and local governments whenever possible. Delegated responsibilities include reviewing preconstruction applications and issuing permits to potential pollution-emitting sources as well as inspecting those sources, once constructed, for permit compliance. (See p. 1.)

EPA provides about \$88 million a year to state and local governments (under section 105 of the Clean Air Act) to help defray the costs of their air pollution prevention and control programs. However, EPA remains responsible and accountable for overseeing the conduct of those environmental programs under federal statute, even after delegation. (See p. 2.)

The Chairman, Subcommittee on Oversight and Investigations, House Committee on Energy and Commerce, requested that GAO examine the actions of the states in carrying out delegations under the Clean Air Act and other laws and EPA's efforts in ensuring that such delegations are carried out properly and fully. GAO subsequently agreed to direct its review at EPA's delegation of the Prevention of Significant Deterioration (PSD) program because it includes recent state delegations as well as ones that date back to when the program was established by a 1977 amendment to the Clean Air Act. The purpose of the PSD program is to ensure that

air quality in clean air areas¹ does not deteriorate, while allowing for future industrial growth. As of September 30, 1984, the PSD program had been fully delegated to 39 and partially delegated to 10 of the 60 state and local government agencies targeted by EPA for delegation. (See pp. 3 to 7 and app. I.)

GAO (1) examined EPA's process for delegating PSD program responsibilities to six state agencies, (2) compared EPA's level of effort in carrying out the principal PSD program activities before delegation to the six state agencies' efforts after delegation, and (3) examined EPA's oversight activities after delegating the PSD program. (See pp. 7 to 9.)

The six states--Georgia, New Jersey, New York, North Carolina, Utah, and Wyoming--are located in 3 of EPA's 10 regions (2 states in each region) and represent a geographically broad distribution of states. They do not, however, represent a statistically valid sample of the 39 state and local government agencies with full delegation authority. Therefore, the results of GAO's findings and comparisons cannot be projected to the entire PSD program. (See p. 7.)

GAO found that EPA's review process before delegation provided EPA adequate information to make its delegation decisions. Further, GAO found no significant differences in levels of effort between EPA and the states in carrying out their PSD activities. GAO noted, however, that two of the three EPA regions it reviewed had not updated their Compliance Data System, which was designed to assist them in their oversight activities. As a result, the status of air pollution control activities in those regions was not current.

EPA'S DELEGATION OF THE PSD PROGRAM TO THE SIX STATES

Before EPA delegates the operational responsibilities of the PSD program to state agencies, it is to determine whether each state is capable of administering the program in accordance

¹A clean air area is defined as an area where air pollution levels are lower than those levels established by the Clean Air Act's national ambient (outdoor) air quality standards.

with the Clean Air Act requirements and EPA guidelines and regulations. It does this by reviewing applicable state laws and regulations and assessing each state agency's technical capabilities and resource requirements. (See p. 10.)

EPA followed these two steps before delegating the PSD program to the six states included in GAO's review. For example, in reviewing the EPA delegation files, GAO found that EPA analyzed the applicable state laws and regulations and determined when each state had the appropriate legal authority to administer the program. In assessing the adequacy of the states' technical capabilities and resources, EPA officials told GAO that they relied on the knowledge they had acquired during years of working with each state agency on environmental matters as their basis for delegating the PSD program. In one state, for example, EPA staff worked with the state agency staff for about a year before delegation, training and familiarizing them with the PSD program. EPA's guidelines do not require that EPA perform detailed resource analyses or feasibility studies to determine each agency's capabilities. (See pp. 10 to 14.)

STATE AGENCIES' EFFORTS TO CARRY OUT THEIR DELEGATED TASKS

The principal mechanism of the PSD program--the preconstruction review process--requires that each potential pollution-emitting source undergo review and approval by EPA or a delegated state agency before obtaining a construction permit. That review, among other things, is performed to ensure compliance with national air quality standards and applicable PSD pollution emission limitations. (See p. 15.)

GAO compared the preconstruction review process the EPA regions performed before delegation to the process the state agencies performed after delegation. (When available, GAO selected the five most recently issued PSD permits from each region and state for its comparison.) GAO found that the state agencies had placed about the same or more emphasis on the processing steps than had the EPA regions. For example, two state agencies placed more emphasis on holding hearings to discuss public comments on proposed construction of PSD sources than did

EPA, which generally resolved public comments without holding hearings. Both methods of handling public comments are acceptable under EPA regulations and guidelines. (See pp. 15 to 22.)

GAO also found that two state agencies took significantly less time than EPA to complete their preconstruction reviews and issue their PSD permits. One state reduced the average time frame from 453 to 102 days while another state reduced the average time frame from 249 to 100 days. For the other four states, there were less significant reductions in two and no comparative information available in the two remaining states. (See pp. 22 and 23.)

Delegated state agencies are to ensure that emissions inventories are maintained on pollution-emitting sources within specific clean air areas so that cumulative pollution increases granted do not exceed levels mandated by the Clean Air Act. GAO found that the state agencies' efforts to maintain emissions inventories varied by state, from no formalized inventory in two states to detailed computerized inventories of major and minor pollution sources in three states. EPA and state officials in one region stated that they were not too concerned about providing additional resources to maintain or improve the emissions inventories because no problem exists until PSD emissions increase to the point where it becomes possible to exceed the maximum allowable emission limits established by the Clean Air Act. Currently, none of the states GAO reviewed appear to be near the point of reaching those maximum emission levels. (See pp. 24 and 25.)

Delegated state agencies are also usually responsible for inspecting operating sources to ensure continued compliance with PSD permit conditions. GAO found that the frequency of state inspections varied considerably from EPA's annual inspection criterion. State agencies in one EPA region were inspecting PSD sources annually as required, while state agencies in another region were inspecting their PSD sources two or three times a year. A state agency in the third EPA region inspected 8 of its 10 PSD sources during the 1983-84 inspection year. The two sources that were not

inspected had been in compliance during previous years' inspections. (See pp. 25 to 28.)

EPA's OVERSIGHT ROLE
AFTER DELEGATION

After delegating the PSD program responsibilities, EPA uses various types of oversight efforts to ensure that the program is operating in accordance with the Clean Air Act requirements and EPA regulations. EPA performs two types of annual audits that encompass all aspects of delegated air pollution control programs, including the PSD program. Further, EPA periodically reviews a sample of the states' PSD application and permit files and inspects about 5 to 10 percent of the operating PSD sources to measure each state agency's performance. GAO's review of EPA's oversight efforts indicated that those mechanisms afford EPA ample opportunity to monitor the state agencies after PSD delegation. (See pp. 29 to 33.)

According to EPA regional officials, annual mid-year audits of state air pollution control programs constitute the most formal level of communication between regional and state air program officials. Further, mid-year audits evaluate what a state has accomplished during the year. (See pp. 29 and 30.)

EPA started conducting national air audits in fiscal year 1984 to provide for uniform review of all state air pollution control programs. The national air audit reports prepared by EPA indicated that the six state agencies GAO reviewed were generally doing a good job in carrying out their air pollution control programs. However, in each state, EPA identified certain areas of the PSD program for improvement, such as the need for adequate documentation on source inspections. (See pp. 30 to 32.)

EPA has a Compliance Data System to assist its regions in their oversight role. The system is designed to contain detailed information, by source, on such things as permits, inspections, enforcement actions, compliance status, and operating status of all air pollution control programs, including the PSD program. GAO found that two of the three EPA regions had not updated all PSD-related information in the system. For example, in one of the two regions,

PSD source information had not been updated in about 2 years, so current and complete information was not available on the number of sources receiving PSD permits or the status of source inspections and compliance. EPA regional officials stated that staff shortages and higher priorities prevented them from keeping the system up to date. (See pp. 33 and 34.)

RECOMMENDATION

GAO recommends that, because of the differences in priority given the Compliance Data System by the three regions, the EPA Administrator re-evaluate the importance of the system as an oversight tool for air pollution control programs and, if warranted, give the system the priority needed to keep the information current and uniform in all EPA regions. (See p. 35.)

AGENCY COMMENTS

GAO did not obtain written agency comments on this report. However, GAO discussed its findings with EPA officials and with state officials as the review work was completed in each state. Generally, those officials agreed with the findings GAO presented, and their comments have been included where appropriate in the report.

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ABBREVIATIONS

BACT	best available control technology
CDS	Compliance Data System
C.F.R.	Code of Federal Regulations
EPA	Environmental Protection Agency
GAO	General Accounting Office
NAAS	National Air Audit System
PSD	Prevention of Significant Deterioration
SIP	state implementation plan

CHAPTER 1

INTRODUCTION

A primary goal of the Clean Air Act of 1963¹ is to protect and enhance the quality of the nation's air. The act provides for state and local governments to assume responsibility for implementing measures to prevent and control air pollution. Consequently, the Environmental Protection Agency (EPA), which administers the act, has delegated² operational responsibilities for national air pollution prevention and control programs to state and local governments whenever possible. Operational responsibilities include such tasks as reviewing applications for proposed construction of pollution-emitting sources (e.g., adding smoke stacks to steel manufacturing plants) to determine the types and potential amounts of pollutants that may be emitted into the air; issuing permits allowing such sources to be constructed under mandated pollution emission limitations; inspecting sources, once constructed, to determine whether they are operating within their permit conditions; and instituting enforcement action against those operating sources that violate their permits.

According to EPA's quarterly Strategic Planning and Management System's reports, EPA has delegated to state and local government agencies most of the operational responsibilities for the following three national air pollution prevention and control programs³ established under the act.

--New Source Performance Standards, established under section 111 of the act to control pollution emissions from specific types of new or modified sources that cause or contribute significantly to air pollution. As of September 30, 1984, EPA had delegated operational responsibilities for 92 percent of the applicable standards categories under this program.

--National Emission Standards for Hazardous Air Pollutants, established under section 112 of the act to control pollution emissions from new, modified, or existing sources that, in the judgment of the EPA Administrator, cause or contribute to air pollution that may reasonably be anticipated to cause illness or death. As of

¹42 U.S.C. 7401 et seq.

²Delegation means the assumption by a competent and willing state or local government agency of the operational responsibilities of a national air pollution prevention and control program that, in the absence of such action, would be performed by EPA.

³Title I of the Clean Air Act permits those three national programs to be delegated.

September 30, 1984, EPA had delegated operational responsibilities for 95 percent of the applicable standards under this program.

--Prevention of Significant Deterioration, established under sections 160 through 169 of the act to ensure that air quality in clean air areas⁴ does not significantly deteriorate, while maintaining a margin for future industrial growth. Essentially, this is a preconstruction permit program to control certain air pollution emissions from major new or modified sources, such as factories or plants. As of September 30, 1984, this program had been fully delegated to 39 and partially delegated to 10 of the 60 state and local government agencies targeted by EPA for delegation (see app. I).

EPA provides about \$88 million a year to state and local governments (under Section 105 of the Clean Air Act) to help defray the costs of their air pollution prevention and control programs. However, EPA recognizes that it remains responsible and accountable to the President, the Congress, and the public for progress towards meeting national environmental goals and statutes, even after delegation of its program responsibilities. Thus, EPA's delegation policy carries with it a corresponding responsibility for EPA to oversee the conduct of delegated environmental programs under federal statutes.

DIFFERING VIEWS ON DELEGATION

The President's Private Sector Survey on Cost Control report, approved by a Presidential task force in August 1983, considered delegation of responsibility for implementing national environmental programs to state and local governments to be a means of reducing federal government spending. That report stated:

"Accelerating delegation of Federal programs to states and clearly defining delegation of regional responsibilities are among the most crucial productivity improvements that EPA can implement. Appreciable reductions in the Federal EPA (and consequent elimination of inter-government duplication) will not be possible until program implementation responsibility is lodged solely with the states."

EPA views delegation of environmental program responsibilities as an opportunity to deliver more effective environmental protection by placing decision-making authority at a level of government closer to the people whose lives are actually touched

⁴Clean air areas are those areas where air pollution levels are lower than the levels established by the act's national ambient (outdoor) air quality standards.

by the decisions. Further, state air pollution prevention and control program officials have cited a number of reasons why national environmental programs should be delegated. The reasons cited include the following:

- States can review preconstruction applications and issue permits to pollution-emitting sources faster than EPA.
- Pollution-emitting sources become accountable to only one environmental agency (the one delegated), and they need to obtain only one permit to construct.
- States can better serve the pollution-emitting sources because they can respond sooner to requests than EPA.
- Clean air is a resource that should be managed by the states.

Conversely, some federal and state officials said that the primary reason for not delegating more national environmental programs is that inadequate resources (staff and funds) and expertise exist at some state and local governments that prevent them from carrying out the difficult program aspects. Against this backdrop, we were requested to review certain delegation activities of the Prevention of Significant Deterioration (PSD) program (see section on Objectives, Scope, and Methodology).

DESCRIPTION OF THE PSD PROGRAM

The origin of the PSD program can be traced to a phrase in the 1967 Clean Air Amendments: "to protect and enhance the quality of the nation's air." That phrase required EPA to establish air prevention and control programs to protect, among other things, existing clean air areas. As a result, the PSD program was established in 1977.

Central to the PSD program is the review prior to construction of certain new and modified stationary pollution sources (such as industrial plants and factories) to ensure that they do not significantly degrade air quality in specified areas where the air is cleaner than the levels established by the national ambient air quality standards. Under the 1977 amendments to the Clean Air Act, EPA or a delegated state agency is to conduct preconstruction reviews of major sources that plan to locate in areas that are covered by the PSD program. A preconstruction review should determine whether a source proposes to use the best available control technology for its pollution emission and whether the source has performed an air quality analysis to determine how much of the available pollutant increases (increments) the source proposes to consume.

Applicability of PSD review

Before undertaking a PSD preconstruction review of a proposed new or modified major stationary source, EPA or the cognizant PSD-delegated state must determine if the source is subject to such a review. This is referred to as making a PSD applicability determination.

The 1980 PSD regulations require construction permit applicants to perform a four-step analysis to determine whether the PSD preconstruction review requirements apply to the proposed construction. First, the applicant must determine whether the proposed project is a major stationary source or a major modification as defined by the regulations. If the proposed project qualifies, the applicant next must identify the particular pollutants to be analyzed as part of the permit review. For the third step, the applicant must determine that the region under consideration for the proposed construction site qualifies as a clean air area. The fourth and final analytical step in the applicability evaluation is to determine whether the source qualifies for an exemption from the review requirements. The PSD regulations include a number of exemptions that result in some companies avoiding the entire review process. All of the exemptions are themselves subject to limitations and conditions.

Case-by-case BACT analysis

Once the applicability determination identifies a source as subject to a PSD review, Section 165 of the Clean Air Act requires those sources to employ the best available control technology (BACT) for each regulated pollutant emitted. The BACT analysis determines the controls to be required for a source undergoing the PSD review process. The act defines BACT as

" . . . an emissions limitation based on the maximum degree of reduction . . . which the permitting authority, on a case-by-case basis, taking into account energy, environmental, and economic impacts and other costs, determines is achievable. . . . In no event shall application of 'best available control technology' result in emissions of any pollutants which will exceed any emissions allowed by any applicable standard established pursuant to. . . this act."

As specified in EPA's guidance manuals, the BACT analysis involves four sequential steps. Step one involves identifying the pollutants for which BACT is required. All regulated pollutants emitted in significant amounts are covered.

Step two in the analysis considers the point of emissions of a pollutant within a plant complex. Technically, any affected emissions unit, regardless of size, must undergo BACT

analysis. However, in light of the criterion of economic reasonableness, BACT analyses are generally only as extensive as is justified by the quantity of pollutants emitted and the ambient air impacts created. Furthermore, facilities that emit small amounts of pollutants usually have substantial costs associated with the installation and operation of highly effective emission controls. Hence, BACT review typically focuses on significant emissions units.

Step three in the analysis identifies areas of potentially sensitive concerns. For example, a primary purpose of BACT is to minimize certain pollution emissions so as to expand the affected area's potential for future economic growth. Thus, identifying excessive emissions is an important factor in the determination of BACT.

Step four involves selecting alternative control strategies. After a set of alternative control strategies is decided on, the BACT guidelines direct the applicant to conduct economic, energy, and environmental impact analyses. These analyses are intended to identify quantifiable impacts and lead to the selection of BACT.

EPA has published a BACT clearinghouse document that contains information on BACT and lowest achievable emission rate determinations to give EPA regional offices and state and local agencies current information on control technology determinations. This document contains abstracts of recent determinations on similar sources and useful data on emission limits imposed and control strategies used to achieve those limits.

The air quality analysis

Before a PSD permit can be granted, the applicant is to demonstrate that neither an air quality standard nor an allowable PSD emission limitation will be violated by the proposed major new source or modification. Therefore, an air quality analysis must be conducted for each PSD-regulated pollutant that is expected to be emitted from the proposed construction, or for which the emission level is expected to increase significantly in conjunction with that construction. Included are applicable pollutants for which air quality standards exist and other affected pollutants regulated by the act.

The following five basic steps are involved in an air quality analysis:

- (1) Define the impact area of the proposed major source or major modification for each applicable PSD-regulated pollutant.
- (2) Establish appropriate inventories of each applicable pollutant from all sources contributing to air quality in the impact area.

- (3) Determine existing ambient air concentration of those pollutants.
- (4) Perform a screening, modeling analysis for each applicable pollutant.
- (5) Determine projected air quality resulting from emissions of applicable pollutants.

Depending on the amounts and types of regulated pollutants subject to an air quality analysis, there may be as many as three separate but interrelated phases of the overall air quality analysis, including the following:

- (1) An analysis of proposed emissions of sulfur dioxide and particulate matter, which are currently the two pollutants with emission limitations established under the Clean Air Act.
- (2) A determination of existing air quality for all other pollutants subject to the air quality analysis.
- (3) An analysis of projected future air quality for all applicable criteria pollutants and any applicable non-criteria pollutants that the reviewing authority determines should be evaluated. The purpose of this phase is to determine whether any air quality standard violation or very high ambient concentration of non-criteria pollutants could result from the construction.

Other impact analyses

In addition to the basic requirements of the PSD preconstruction review, the Clean Air Act calls for two other air quality-related analyses that do not directly involve the allowable increments or ambient standards. Under section 165 (a)(6), EPA is authorized to require applicants to provide an analysis of the air quality impacts projected for the area as a result of growth "associated with" the source. EPA has interpreted this to refer to all general commercial, residential, industrial, and other growth that occurs as a consequence of the proposed construction or modification. Under section 165(e)(3)(B), applicants may also be required to provide an analysis of the impairment to visibility, soils, and vegetation that could occur as a result of the source, as well as a description of area climate, meteorology, and terrain.

OBJECTIVES, SCOPE, AND METHODOLOGY

On February 8, 1983, the Chairman, Subcommittee on Oversight and Investigations, House Committee on Energy and

Commerce, requested⁵ that we examine, on a sample basis, the actions of the states in carrying out delegations under the Clean Air Act and other laws, and EPA's efforts in ensuring that such delegations are carried out properly and fully. In a subsequent meeting with the Chairman's office, we agreed to limit the requested work to the PSD program because it includes recent state delegations as well as ones that date back to when the program was established by a 1977 amendment to the Clean Air Act.

EPA's 10 regional offices are responsible for ensuring that the PSD program operates in accordance with the Clean Air Act requirements and EPA regulations. As agreed with the Chairman's office, we conducted our review work at 3 of the 10 regional offices--region II (New York City, New York); region IV (Atlanta, Georgia); and region VIII (Denver, Colorado)--to provide a geographically broad coverage of the PSD program.

Further, we agreed to visit six state government agencies that had full delegation authority for the PSD program (two state agencies from each of the three EPA regions reviewed). At those agencies we compared their principal activities to EPA's level of effort when it had the program responsibilities. The six states we selected and agreed to by the Chairman's office were New Jersey and New York (region II); Georgia and North Carolina (region IV); and Utah and Wyoming (region VIII). Although the selected states represent delegations that EPA approved at various time periods between 1976 and 1983, they do not represent a statistically valid sample of the 39 state and local government agencies with full delegation authority. Consequently, we cannot project the results of our review to the entire PSD program.

At the three EPA regions included in our review, we obtained documentation on the process EPA used to determine when each cognizant state was ready to receive delegation of the PSD program and how each delegation of authority was accomplished. We discussed the process with EPA officials directly involved in those PSD delegations to get a better understanding of the processing steps taken. Further, we interviewed EPA regional officials to determine EPA's role before and after PSD delegation, emphasizing the preconstruction review process and oversight activities performed by the three regional offices. In the latter area, we also examined the various reports that the regions had prepared as a result of their reviews of state activities to determine what problems, if any, had been addressed.

⁵This report addresses one of the two issues the Chairman requested us to pursue. The other issue, which pertains to federal funding of state programs under Section 105 of the Clean Air Act, was addressed in our report EPA Needs To Improve Its Oversight Of Air Pollution Control Grant Expenditures (GAO/RCED-84-163, Sept. 28, 1984).

At each of the six state government agencies included in our review, we interviewed state officials regarding each aspect of the delegated PSD program, including the process involved in reviewing applications and issuing preconstruction permits for air pollution-emitting sources, inspecting PSD sources for compliance, and enforcing permit terms and conditions. In addition, we wanted to examine five of the most recent PSD permits reviewed and issued by each state after delegation and compare them with five of the most recent PSD permits reviewed and issued by EPA before delegating the PSD program responsibilities to determine if there were any notable variances in the permitting processes. However, after beginning our review we learned that, in some cases, EPA or a delegated state agency had not issued as many as five PSD permits within a state. In those cases, we examined as many as had been reviewed and issued.

For example, we found that Georgia was delegated the PSD program at its inception, so there were no EPA-issued permits from which to make such a comparison. On the other hand, at the time of our review, we found that New Jersey had issued no permits since its delegation and New York had issued only three. Collectively, however, we examined 25 EPA-issued permits and 23 state-issued permits.

We did not use statistical sampling in selecting the EPA- and state-issued PSD permits to be reviewed. Rather, we selected the five most recently issued permits at the time of our review because we believed they would be representative of the most current practices EPA and the states used to determine how air pollution-emitting sources should be controlled and permitted under the PSD program.

Our review of the PSD permit files was directed at determining whether EPA and the state agencies had documented that they had performed various steps of the preconstruction review process outlined by EPA's regulations. To accomplish this task, we focused on the following questions:

- Was preconstruction air monitoring performed before approval of each new or modified PSD source to determine the ambient air quality level?
- Was the technology used to control pollution emissions considered by EPA and the states to be the best available control technology?
- Was computer modeling performed in accordance with EPA-approved modeling procedures to predict the impact that a proposed source may have on the surrounding environment?

- Was the impact on the nearest class I area⁶ identified and addressed? (If so, was the Federal Land Manager notified as required by the act?)
- Was public notice given? (If so, were public comments received and considered prior to issuing the permit?)
- Was post-construction monitoring required to ensure that the operating source complied with the permit conditions?

Our review was limited to those PSD applications that eventually became PSD-permitted sources. We did not analyze any documentation pertaining to applications that EPA or the delegated state agencies had determined were not applicable to the PSD requirements, as our review questions did not apply to those cases.

During our review we encountered problems in compiling accurate and complete information for Wyoming from EPA region VIII and the state on the number of permitted PSD sources, the number of operating sources, how often operating sources were inspected for compliance, and the compliance status of each operating source. However, by using various sources of EPA and state information, we compiled a list of PSD sources in Wyoming that we believe is reasonably accurate and complete.

Our review work was conducted between April and November 1984 in accordance with generally accepted government auditing standards. At the Subcommittee Chairman's request, we did not obtain written agency comments on this report. We did, however, discuss the report's findings with EPA officials responsible for PSD delegations and with state officials as we completed our review work in each state. Generally, those officials agreed with the findings we presented, and their comments have been incorporated where applicable in this report.

⁶Class I areas include certain wilderness areas and national parks and allow for only small increments (increases) of air pollution.

CHAPTER 2

EPA's REVIEW PROCESS PRIOR TO DELEGATING PSD PROGRAM RESPONSIBILITIES

EPA's guidelines¹ for its regions' use in delegating environmental programs set forth procedures for a state or local agency to follow in requesting delegation of PSD program responsibilities. The guidelines provide that the Governor, his or her designee, or other appropriate official shall submit a written request for delegation to the appropriate EPA regional administrator. The request describes, among other things, the administrative, technical, and enforcement procedures that will be followed and the agency that will be responsible for carrying out those procedures. The delegation request also includes assurance that the agency has the resources to perform the necessary reviews and to take other actions required by EPA regulations.

In the six state agencies we reviewed, EPA followed its guidelines in delegating the PSD program responsibilities. Specifically, EPA analyzed the applicable state laws and regulations and determined when each state had the appropriate legal authority to administer the program. In addition, EPA relied on knowledge it had acquired during years of working with the state agencies on environmental matters as its basis for assessing the adequacy of the agencies' technical capabilities and resources prior to delegating the PSD program. EPA's guidelines do not require that regional offices perform detailed resource analyses or feasibility studies to help determine each agency's technical capabilities and resource requirements. However, based on our review of EPA's delegation files, it appears that EPA's review process provided adequate information for EPA to make its delegation decisions to the six state agencies.

EPA's DETERMINATION OF ADEQUATE LAWS AND REGULATIONS

After receiving a request for PSD program delegation, EPA performs a detailed analysis of the state's environmental laws and regulations to determine whether they are equivalent to the Clean Air Act requirements and the EPA regulations. EPA's regulations allow a state or local agency to base its legal authority for administering the PSD program on the adoption of EPA regulations or by promulgating equivalent regulations as part of the state implementation plan (SIP) that each state develops pursuant to Section 110 of the Clean Air Act.

¹Guidelines for Delegation of New Source Review Authority to State and Local Agencies, dated March 1976. Although the guidelines were developed before the PSD program was added as an amendment to the Clean Air Act in 1977, they were nevertheless adaptable to the PSD delegation process.

EPA prefers that PSD delegations be accomplished by revisions to the SIP's because the federal program is replaced by an equivalent state program, operating under the framework of state legislation. Four of the six PSD delegations we reviewed were accomplished through SIP approvals pursuant to 40 C.F.R. part 51, and the other two were accomplished by state reference to EPA's regulations pursuant to 40 C.F.R. part 52.

EPA's review of applicable state laws and regulations for the six state agencies included in our review is discussed below.

New Jersey

In EPA region II the New Jersey Department of Environmental Protection determined on March 31, 1982, that it had sufficient statutory authority to fully implement the PSD program. However, on June 2, 1982, EPA's acting deputy regional counsel reviewed New Jersey's legal authority and questioned whether the state agency could enforce or prevent violations of PSD air quality standards established by 40 C.F.R. 52.21(c). On June 17, 1982, New Jersey responded to EPA's legal question by agreeing to revise its relevant regulations to ensure that it would have the proper enforcement authority. The state agency emphasized, however, that such revisions could not be made immediately. In the interim, EPA agreed to delegate the program while retaining the authority to process those PSD applications that could exceed allowable emission limits.

On April 19, 1983, the EPA regional administrator delegated the PSD program to New Jersey, pursuant to EPA regulations under 40 C.F.R. 52.21. One of the conditions of the delegation was that EPA would review and give final approval on those PSD applications that could exceed any applicable PSD emission limitation. The delegation statement indicated, however, that EPA would remove that condition at such time as the state agency obtained the necessary authority to address the issue. At the time of our review that condition was still a part of the delegation agreement between EPA region II and New Jersey.

New York

On December 4, 1981, New York requested PSD delegation from EPA region II, as the New York state attorney general had previously determined that the Department of Environmental Conservation had the legal authority to accept such delegation. Further, the attorney general had agreed to initiate and prosecute enforcement actions under the PSD program in a manner consistent with EPA policy.

Although EPA region II found the state's legal authority to be adequate, it noted that, under the New York State Uniform Procedures Act, a PSD permit could be automatically approved if the state did not issue a decision on the permit within 90 days and the applicant subsequently requested that the permit be issued. Such automatic approval is not allowed under the Clean

Air Act, so New York agreed that its delegation agreement should provide a statement wherein if the state agency could not make a permit decision within the allotted state time frame, the permit package would be forwarded to EPA for processing. On July 21, 1982, the EPA regional administrator delegated the PSD program to New York under the above condition, pursuant to 40 C.F.R. 52.21.

Georgia

On December 16, 1975, the Georgia Department of Natural Resources requested that EPA delegate the enforcement and program operation authorities for three Clean Air Act programs (one of which was PSD) to the state. The request letter stated that the delegations should be considered as revisions to the Georgia SIP.

On May 3, 1976, EPA region IV's deputy regional administrator responded to the request letter, stating that EPA had reviewed the pertinent Georgia laws, rules, and regulations and had determined that they provided an adequate and effective procedure for implementing and enforcing the PSD program. Consequently, the deputy regional administrator decided to delegate the PSD program to Georgia pursuant to 40 C.F.R. 52.21, which meant that the SIP revision was not approved by the EPA Administrator at that time. However, on January 3, 1980, the Administrator approved Georgia's SIP revision and delegated the PSD program under state regulations pursuant to 40 C.F.R. 51.24.

North Carolina

In EPA region IV the North Carolina Department of Natural and Economic Resources requested delegation of the administrative/technical portion of the PSD program on June 24, 1976, stating that the state's administrative code and respective general statutes gave it the authority to achieve the goals of 40 C.F.R. 52.21 for only that portion. At the time, North Carolina did not request delegation of the PSD enforcement activities.

On November 24, 1976, the EPA regional administrator informed North Carolina that EPA had reviewed the state's new source review procedures and had determined that they provided for an adequate and effective procedure for implementing the administrative/technical portion of the PSD program. Therefore, the EPA regional administrator delegated those two program functions to North Carolina, pursuant to 40 C.F.R. 52.01 and 52.21, constituting a partial delegation of the PSD program.

Over 4 years later, on April 16, 1981, North Carolina submitted to EPA a proposed SIP revision that included state regulations to fully implement the PSD program. EPA's regional counsel and other officials reviewed the proposed SIP revisions and concurred with North Carolina's planned action regarding full delegation of the program. On February 23, 1982, the EPA Administrator approved North Carolina's SIP revision and, effective March 25, 1982, gave the state agency full delegation authority under its SIP to administer the PSD program.

Utah

On August 17, 1981, the governor of Utah requested that the regional administrator in EPA region VIII review and approve the state's PSD regulations. Subsequently, on January 8, 1982, EPA region VIII's Director, Air and Hazardous Materials Division, informed the regional administrator that the regulations had been reviewed and approved and should be forwarded to the Administrator to be published in the Federal Register. On February 12, 1982, the EPA Administrator delegated the PSD program to Utah and it became part of the state's SIP revisions.

Wyoming

In EPA region VIII the Wyoming Department of Environmental Quality submitted a number of SIP revisions to the regional administrator on January 25, 1979. One revision added a new section to provide for PSD review and monitoring under Wyoming regulations, as set forth in 40 C.F.R. 51.24. During the next several months, the EPA regional staff reviewed the Wyoming regulations and suggested changes that it believed were necessary to conform with EPA's regulations and Clean Air Act requirements.

On May 14, 1979, Wyoming agreed to make the changes that were suggested by EPA. Consequently, on September 6, 1979, the EPA Administrator approved Wyoming's SIP revision and delegated the PSD program.

EPA's DETERMINATION OF TECHNICAL CAPABILITIES AND RESOURCE REQUIREMENTS

EPA's Guidelines for Delegation of New Source Review Authority to State and Local Agencies indicate that each state agency is to provide assurance that resources are adequate to administer the delegated program. The guidelines provide no further direction on how the regions are to determine such adequacy nor do they require that detailed resource analyses or technical feasibility studies be performed. The EPA delegation files we reviewed had no backup documentation explaining how the EPA regions determined the adequacy of state agencies' technical capabilities and personnel resources before delegation. However, EPA officials told us that they relied on knowledge they had acquired during years of working with the state environmental officials as their basis for obtaining such information. Further, EPA's periodic oversight reviews and audits of state air pollution control programs also provided valuable insight into the states' technical capabilities and resource requirements.

We found that EPA regional staff had worked closely with four of the six state agencies to improve the states' technical expertise before delegating PSD program responsibilities. In New Jersey, EPA region II staff worked with the state agency staff for approximately a year, training and familiarizing them with the PSD program. This included conducting seminars to train state officials as to how to perform permit application reviews, providing

state officials with previously submitted PSD permit applications to review, and developing a permit application checklist for the state to use. In North Carolina, the state agency reviewed and evaluated the PSD applications; then EPA region IV checked over what the state had done before issuing the PSD permits. Similarly, in Utah, EPA region VIII provided the state agency the opportunity to review the PSD applications before EPA issued the permits. In Wyoming, EPA helped train state agency staff by jointly reviewing some of the PSD applications while EPA still had PSD responsibility.

We also found that EPA had provided technical and financial assistance to two state agencies after delegation. (EPA's delegation policy provides for such post-delegation assistance.) In New Jersey, for example, EPA region II provided the state agency a regional employee to work with state staff for about 2 years after delegating the PSD program. The EPA employee told us that he had been involved with all PSD work done in New Jersey thus far, and he was in the process of drafting administrative guidelines to aid the state in its PSD permitting activities. Also in New Jersey, the EPA region II staff recognized before delegation that the state agency was deficient in computer modeling, which is a vital part of the PSD application review of the effect the proposed pollution-emitting sources will have on the environment. Therefore, as part of New Jersey's delegation agreement, EPA provided a supplemental grant of \$80,000 to be used to develop the state agency's computer modeling capability, including the purchase of a minicomputer. As another example, EPA provided New York a supplemental grant of \$50,000 after delegation to cover increased administrative costs.

CONCLUSIONS

Our review of EPA's process for delegating PSD program responsibilities to six state agencies indicated that EPA had performed an analysis of each state's legal authority before delegation. Further, EPA had satisfied itself that each state agency had the technical capabilities and resources needed to administer the PSD program and had taken steps to provide for additional needs of the states after delegation. Based on our review, we believe EPA's process for delegating the PSD program was carried out satisfactorily.

CHAPTER 3

STATE AGENCIES' EFFORTS TO

ADMINISTER THE DELEGATED PSD PROGRAM

The principal mechanism used to achieve the PSD program goals is the preconstruction review process. This process requires that EPA or delegated agencies undertake detailed reviews prior to construction of major new or modified stationary sources that have the potential for emitting air pollutants to ensure compliance with (1) national ambient air quality standards, (2) applicable PSD pollution emission limitations, and (3) BACT requirements. When a delegated state agency determines that a proposed source successfully complies with those criteria, it issues a permit authorizing the source to be constructed. The source owner, after receiving a PSD permit, must then begin construction within a reasonable period of time--typically within 18 months of approval--and must stay on a continuous construction schedule to avoid invalidating the permit. After construction is completed and the source is operating, it is then periodically inspected by EPA or the delegated state agency to ensure continued compliance with the PSD permit requirements.

In our review, we analyzed the preconstruction review process performed by EPA regions II, IV, and VIII prior to delegation and compared it with the preconstruction review process performed by the six state agencies after delegation. We found that the processes were performed essentially the same, regardless of whether EPA or the state agencies had performed them. Further, the state agencies had placed about the same or more emphasis on the processing steps than did their cognizant EPA regions when they had the PSD program responsibilities, and generally the state agencies completed their preconstruction reviews and issued their permits in less time than EPA.

As part of our review, we also analyzed the states' efforts to (1) maintain emissions inventories of cumulative PSD pollution emissions outlined in Section 163 of the Clean Air Act and (2) test, inspect, and enforce PSD compliance, which actions were also part of their delegation responsibilities. In the first area, some state agencies may experience future problems because they are not maintaining complete emissions inventories. In the second area, some state agencies may experience future problems because they do not have enough staff to inspect all PSD sources annually as required by EPA.

A COMPARISON OF EPA'S AND THE DELEGATED STATE AGENCIES' PRECONSTRUCTION REVIEW PROCESSES

The preconstruction review process outlined by EPA regulations consists of various steps. The primary steps discussed below address requirements for preconstruction air monitoring;

BACT; modeling; class I area impacts; public notices, comments, and hearings; and post-construction monitoring. Our review of the process, which followed the questions shown on pages 8 and 9 of this report, was done to determine if there were any notable variances between the way EPA performed PSD permit reviews before delegation and the way state agencies performed them after delegation.

Preconstruction air monitoring

Major new and modified sources of pollution emissions are to provide preconstruction air monitoring and meteorological data on each pollutant having "a significant net emissions increase" in the area of the proposed source. Generally, a minimum of 1 year of air-monitoring data is required to be collected by the applicant before submitting the PSD permit application, or the reviewing agency can determine that the state's existing air-monitoring data adequately represents the affected area, in which case the applicant's preconstruction air-monitoring requirement can be waived. Other methods of obtaining preconstruction air-monitoring data, such as by having the applicant collect it during source construction, are also used.

In our review of 10 permits issued by EPA region II (5 in New Jersey and 5 in New York), 2 sources had been required to conduct preconstruction air monitoring, 1 source had been required to conduct air monitoring concurrent with construction of the pollution-emitting point, and 7 sources had used existing air-monitoring data in lieu of preconstruction air monitoring. In comparing EPA's efforts with the three state agency-issued PSD permits (none in New Jersey; three in New York), we found that the three sources had used existing air-monitoring data in lieu of preconstruction air monitoring.

In our review of five permits issued by EPA region IV (none in Georgia; five in North Carolina), the five sources had used existing air-monitoring data in lieu of preconstruction air monitoring. For comparison, in 10 state agency-issued permits (5 each in Georgia and North Carolina), 5 sources had used existing air-monitoring data, and 5 sources had demonstrated by modeling or other techniques that air-monitoring data was not applicable because of the insignificant amounts of pollutants that would be emitted.

In our review of 10 permits issued by EPA region VIII (5 each in Utah and Wyoming), 4 sources had been required to conduct preconstruction air monitoring, 2 sources had used existing air-monitoring data, 1 source had been required to obtain air-monitoring data prior to operation (concurrent with construction), and 2 sources were exempted from the preconstruction air-monitoring requirement because there would be no significant emission increases. For the remaining source, the file contained insufficient information for us to determine whether

preconstruction air monitoring had been required. For comparison, in 10 state agency-issued permits (5 each in Utah and Wyoming), 4 sources had been required to conduct preconstruction air monitoring, 5 sources had used existing air-monitoring data, and 1 source was exempted because there were no significant emission increases.

In summary, EPA required preconstruction air-monitoring data in 6 cases (out of 25 permits), and the state agencies required it in 4 cases (out of 23 permits). Further, EPA accepted the use of existing state air-monitoring data in 14 cases, whereas the state agencies accepted it in 13 cases.

Best available control technology

The Clean Air Act and applicable regulations require that PSD sources generally control their air pollution emissions by using BACT. It is the responsibility of each source to demonstrate in its application that the proposed controls represent BACT or an acceptable alternative. EPA or the delegated state agency then determines from its review that the appropriate technology has been applied as required. Each BACT determination is made on a case-by-case basis, taking into consideration economic impacts as well as energy, environmental, and other costs.

In EPA region II the review process for 10 EPA-issued permits and 3 state agency-issued permits we reviewed indicated that all sources had used BACT. In EPA region IV's review process for five EPA-issued permits, all of the sources used BACT. Similarly in region IV for the 10 state agency-issued permits, 8 sources had used BACT and 2 were allowed to use control methods based on costs rather than lower emission rates. In EPA region VIII the review process for 9 of the 10 EPA-issued permits and 10 state agency-issued permits indicated that the sources had used BACT. The one EPA-issued permit exception resulted when EPA accepted the existing pollution control for a modified source instead of requiring BACT.

During our review of the files at EPA region VIII and Wyoming, we noted that EPA usually accepted the sources' proposed BACT as the one to analyze, wherein the state agency usually analyzed additional air pollution control alternatives in determining BACT. For example, the state engineering analyses in three of the last four permits issued by Wyoming showed that several alternatives had been evaluated. In one case, based on the state's analysis of other alternatives, the final BACT determination was changed from the applicant's original proposal.

Modeling requirements

EPA regulations require that an air quality analysis be made of any predicted, significant impact that a proposed air pollution source could have on the surrounding environment.

Such analyses, made by computer models commonly referred to as dispersion models, identify and quantify the impacts of all significant pollutants for which air standards exist.

In general, the EPA-approved dispersion models to be used by a source in its analysis are defined in EPA's Guideline on Air Quality Models. However, due to complex meteorological situations in some states (caused by such things as mountainous terrain), an appropriate alternative or modification to the EPA-approved guideline models may be used. In any case, EPA approval is still required to avoid the possibility that such changes may not be approved by EPA at a later date.

In our review of EPA and state permit files, we determined that approved models or appropriate alternatives were used. For example, in EPA region II, approved models were used for 9 of the 10 EPA-issued permits. In the remaining case, modeling was not done because the planned modification of the source equipment did not significantly increase allowable emissions. For the three state agency-issued permits, approved models were used in each case.

In EPA region IV, approved models were used in four EPA-issued permits and an alternative technique was used in one case. For comparison, approved models were used for 9 of the 10 state agency-issued permits in region IV; the remaining case involved an insignificant source modification that the state agency determined did not require modeling. Similarly, in EPA region VIII, approved models were used for 8 of the 10 EPA-issued permits. In the remaining two cases, EPA determined that modeling was not necessary because of the insignificant emissions. For the 10 state-issued permits in region VIII, approved models were used in each case.

Our comparisons of EPA's and the state agencies' modeling efforts revealed one difference in the process. Georgia performed the modeling for all its PSD applicants (sources) instead of having the applicants perform the modeling, as was done by the other states and the three EPA regions.

Impact on Class I areas

EPA or the delegated agency must also determine the impact that a proposed pollution source will have on the air quality of surrounding clean air areas. EPA describes an impact area as a circular area whose radius is equal to the greatest distance from the source to the area on which approved dispersion modeling shows the proposed emissions will have a significant impact. A PSD permit will be issued only if the predicted impact is less than the maximum increments (increases) of certain pollutants controlled under the Clean Air Act or if the ambient air quality standard for the pollutant is not exceeded.

Clean air areas are divided into three classes. Class I areas, which include certain wilderness areas and national

parks, are allowed only a small degree of air quality deterioration. Progressively greater deterioration is permitted in class II and class III areas to accommodate additional industrial growth. Clean air areas within the United States have been designated either class I or II, although flexibility exists under the Clean Air Act to adjust most of the class II designations upwards to class III if desired by the states. In no case, however, would the air quality of clean air areas, including class III areas, be allowed to deteriorate beyond the national ambient air quality standards set by the act.

If a proposed pollution-emitting source is determined by EPA or a delegated state agency to have an adverse effect on a class I area, the federal land manager in charge of that area (e.g., the cognizant Department of the Interior or Agriculture representative) is to be notified of the proposal. The federal land manager, in turn, is to review the PSD application for the source construction permit to ensure minimal impact in the area. For cases in which the federal land manager opposes permitting the source, he or she provides comments to the reviewing authority. The PSD regulations do not address whether comments are required if the federal land manager concurs with the permit issuance.

In our review of EPA region II's review process for the 10 EPA-issued permits, we found that the impact on class I areas had been considered and determined by EPA as "not applicable" in 3 of the 10 cases because they were to be located outside the impact areas. In the other seven cases, there was no documentation in the files indicating whether class I area impacts had been determined. However, none of those proposed sources would have been located close enough to have affected the class I areas (New Jersey has only one class I area and New York's closest class I area is located in Vermont). For the three state agency-issued PSD permits in EPA region II, the class I area impact was considered and determined by the state not to apply in two cases. In the remaining case, the source was not close enough to affect a class I area, although the PSD permit file had no documentation to support that such a determination had been made.

In EPA region IV one of the five EPA-issued permits was for a proposed source that EPA believed would affect a class I area. Consequently, EPA performed an impact analysis and found that the source would not adversely affect the class I area. In comparison, 3 of the 10 state agency-issued PSD permits were determined by the states to be located close enough to impact class I areas, so the appropriate federal land managers were notified. In two of those three cases, the state agency did not receive comments from the federal land managers. In the third case, the federal land manager concurred with the issuance of the PSD permit.

In EPA region VIII the class I area impact was considered by EPA for each of the 10 EPA-issued permits and determined to

impact on one source. In that instance, EPA notified the cognizant federal land manager of the potential impact. Subsequently, the federal land manager commented that the proposed source should cause no excessive pollution emissions. For the 10 state agency-issued PSD permits, the state agency determined in 8 cases that the sources would have no impact on a class I area. In the remaining two cases, there was no information in the files for us to determine whether class I area impacts had been considered or federal land managers had been notified. However, there were public notices issued on both permits so the cognizant federal land managers would have had the opportunity to comment at that point if any class I area was affected.

In summary, the PSD permit files we reviewed generally contained information pertaining to class I areas that EPA or the state agencies determined might be impacted by the proposed sources, and the cognizant federal land managers were notified as required. Even in those cases where the files contained no documentation on class I area impact determinations or notification to federal land managers, comments could have been provided during the public notice and comment period if the federal land managers had deemed such comments necessary.

Public notice, comments, and hearings

EPA regulations require that the public be notified of all proposed PSD sources before construction permits are issued. Such notification is made in newspapers circulated within the region of the proposed source. The public notice provides interested parties the opportunity to submit written comments, or oral comments if hearings are held, to EPA or the delegated state agency regarding the proposed source. EPA or the state agency must consider all public comments in making its final decision on the approvability of the PSD application and subsequent issuance of the PSD permit.

In EPA region II public notices were made prior to issuing the 10 EPA-issued permits and 3 state agency-issued permits included in our review. For 6 of the 10 EPA-issued permits, public comments were subsequently received, considered, and resolved by EPA without public hearings. In the remaining four cases, no comments were received; consequently, no public hearings were considered by EPA to be necessary prior to issuance of the PSD permits. For the three state agency-issued permits, public comments were received in two cases; no comments were received in the other case. In one of the two cases on which comments were received, the commenter filed suit to stop the PSD permit but the suit was subsequently rejected because (1) it did not apply to any pollutant covered under the PSD program and (2) it was not filed within the specified comment time period. In the other case on which comments were received, the commenter filed an administrative appeal with EPA to stop the state agency from issuing the PSD permit. EPA region II reviewed the appeal, then agreed with the state agency that the permit process and issuance were handled properly. Public hearings were not held for any of the three state agency-issued permits.

In EPA region IV public notices were made for the 5 EPA-issued permits and the 10 state agency-issued permits. Comments were subsequently received and considered for the five EPA-issued permits, but EPA concluded that no public hearings were necessary. Similarly, comments were received and considered for 6 of the 10 state agency-issued permits, but no public hearings were held. In the four remaining cases, no comments were received or public hearings held.

In EPA region VIII public notices were made by EPA for 8 of the 10 EPA-issued permits. In the remaining two cases, EPA relied on state-issued public notices rather than its own notices to notify the public of the proposed PSD sources. Comments were received and a public hearing was held for 1 of the 10 EPA-issued permits. In comparison, public notices were made for the 10 state agency-issued permits, and public comments were received and considered for 5 of those 10 permits. Consequently, the state agency held public hearings on those five sources to give commenters an opportunity to express their views. In addition, the state agency held public hearings on one of the other PSD sources even though comments had not been received.

Our review of the public notices, comments, and hearings information contained in the EPA and state agency files revealed one difference. EPA region VIII and its cognizant state agencies held hearings to present comments rather than resolving the commenters' concerns without hearings, as was done by the other EPA regions and state agencies.

Post-construction air monitoring

EPA regulations state that, after a PSD source has been constructed, EPA or the delegated agency may require the source owner or operator to conduct post-construction air quality monitoring, if deemed necessary. Such monitoring can help determine what effect the new or modified PSD source is having on air quality within the affected area. The EPA regulations do not call for mandatory post-construction air monitoring; therefore, delegated state agencies have reacted differently to them.

In EPA region II we found that 4 of the 10 EPA-issued permits required post-construction air monitoring. In comparison, three state agency-issued permits required such monitoring.

In EPA region IV, 1 of the 5 EPA-issued permits required post-construction air monitoring, and none of the 10 state agency-issued permits required it. (North Carolina believed that post-construction air monitoring was too expensive and should be required only in cases in which it appears that pollution emissions are a threat to the ambient air quality standards.)

In EPA region VIII, 6 of the 10 EPA-issued permits required post-construction air monitoring; and 2 of the remaining 4 permitted sources were collecting such data, although it was not

identified as post-construction air monitoring on the PSD permit. (One of those sources was required to submit quarterly air monitoring reports to EPA, and the other source was required to submit post-construction air monitoring to the state as part of its state-issued permit requirements.) In comparison, 7 of the 10 state agency-issued permits required post-construction air monitoring, and 1 of the 3 remaining source areas was already being monitored by the state. Thus it was not necessary for the source owner to duplicate that effort. The other two EPA-issued permits and two state agency-issued permits did not require post-construction air monitoring.

In summary, our review of 25 EPA-issued PSD permits and 23 state agency-issued PSD permits showed that about one-half the permits issued by each required post-construction air monitoring. We found, however, that such monitoring was not uniformly applied in every EPA region or state agency, with EPA region IV and its cognizant state agencies being the least likely to require post-construction air monitoring.

Time frame comparisons

As part of our analysis of the preconstruction review process, we compared the time it took for EPA and the delegated state agencies to conduct and complete the process for each permit. We used two beginning dates--one from the date the initial PSD applications were received by EPA or the state agency and one from the date the PSD applications were considered complete--because we found that some applications had to be returned to the source owners several times before all necessary information was provided. The processing time "from date application completed" provides a more realistic comparison of the actual processing time frames, as EPA or the state agencies have less control over the process before that date.

The following table indicates that the state agencies generally completed their preconstruction review process and issued their PSD permits in less time than EPA. For example, from the date the PSD applications were considered complete, New York and Wyoming substantially reduced their processing times; North Carolina and Utah had smaller reductions. The remaining states, Georgia and New Jersey, did not have comparative information available.

Comparison of EPA and State Permit Processing Times
 (Times reported in days and based on five most recently issued permits, unless otherwise noted)

	<u>New Jersey</u>	<u>New York</u>	<u>Georgia</u>	<u>North Carolina</u>	<u>Utah</u>	<u>Wyoming</u>
<u>EPA Processing Time</u>						
From date application received						
- Range	195-539	134-1728	a	48-175	196-383	216-556
- Average	330	819	a	120	314	393
From date application completed						
- Range	141-488	120-880	a	48-154	118-184	34-428
- Average	271	453	a	102	149	249
<u>State Processing Time</u>						
From date application received						
- Range	b	120-219 ^c	133-370	67-128	183-454	82-860
- Average	b	152 ^c	243	94	306	304
From date application completed						
- Range	b	39-183 ^c	103-259 ^d	53-128	121-134 ^e	82-142
- Average	b	102 ^c	187 ^d	90	128 ^e	100

^aEPA did not issue any PSD permits in Georgia because the state has always had the program.

^bNew Jersey had not issued any PSD permits at the time of our review.

^cReflects only three PSD permits issued by New York at the time of our review.

^dRange and average based on four sources only. Information on processing time from application complete date to permit issuance was not available for fifth source.

^eRange and average based on two sources only. Information on processing time from application complete date to permit issuance was not available for other three sources.

ADDITIONAL STEPS UNDER
STATES' DELEGATION AUTHORITY

In addition to the preconstruction reviews, the delegated state agencies perform other steps as part of their delegation authority. We included two of these additional steps in our review. One step concerns the agencies' efforts to establish emissions inventories for certain pollutants emitted in each clean air area to ensure that allowable pollution levels are not exceeded. The other step concerns the agencies' efforts to (1) test newly operating PSD sources for emission compliance, (2) perform periodic inspections to ensure continued compliance, and (3) institute enforcement actions against violators of the PSD permit terms and conditions.

Efforts to establish emissions
inventories of certain pollutants

The Clean Air Act (section 163) sets maximum allowable increases (increments) of particulate matter and sulfur dioxide that can be emitted from new or modified PSD sources. The allowable increase in each pollutant varies according to which class area (I, II, or III) the PSD source is to be located. In order for EPA or a delegated state agency to ensure compliance with the mandated requirements, a record of the pollution increases caused by each source of pollution by area should be maintained so that the cumulative totals of all the sources within the area will not exceed the maximum allowable increases.

According to EPA's Prevention of Significant Deterioration Workshop Manual, dated October 1980, three emissions inventories may have to be established:

1. An inventory of increment-consuming particulate matter and sulfur dioxide emissions.
2. An inventory of all existing emissions of applicable pollutants having an effect on air quality in the impact area of the proposed emissions.
3. An emissions inventory of applicable pollutants from permitted emissions units not yet operating that may have an effect on air quality in the impact area.

The EPA region II Chief, Air Programs Branch, told us that his region had no emissions inventories of cumulative pollution increases when EPA had PSD program responsibilities. Similarly, New Jersey accepted the PSD program; however, it also has no established emissions inventories. According to the Assistant Chief, New Jersey Air Quality Management and Surveillance Division, the fact that the state has no emissions inventories does not present a problem because each PSD applicant is required to include other sources' pollution emissions as part of its modeling process. In addition, few PSD sources have been permitted in New Jersey to use up the allowable PSD increases, so the

maximum increases have not come close to being exceeded. In New York, the Director, Division of Air, said that his state maintained a manual system for inventorying cumulative pollution increases. However, according to his staff engineer, the New York system does not include any minor sources nor does it remove any closed down major sources from the inventory unless the source is permanently dismantled. Therefore, New York's emissions inventory does not reflect cumulative pollutant amounts of all operating sources.

In EPA region IV Georgia has no formalized emissions inventories, but it does consider pollution increases for major sources during its dispersion modeling phase of the PSD application process. North Carolina, in comparison, uses two systems for inventorying cumulative pollution increases. One is a manual system and one is a computerized system, which gives all major sources' pollution increases and decreases since January 1975. Minor sources are also included in North Carolina's computerized system.

In EPA region VIII both Utah and Wyoming have computerized systems to inventory cumulative pollution increases. Utah's system includes major and minor pollution sources; and Wyoming's system, which has included all major and minor pollution sources since 1977, also includes operational changes within those sources.

Based on our discussions with EPA and state officials within EPA region II, neither EPA nor the state agencies appeared to be too concerned about providing additional resources to maintain or improve the emissions inventories because no problem exists until PSD emissions increase to the point at which it becomes possible to exceed the maximum allowable emission levels established by the Clean Air Act. Currently, none of the states we reviewed appear to be near that point; but if it happens, according to one New Jersey official, either the Clean Air Act can be changed to increase pollution emission levels or the class areas can be redesignated under existing legislation (e.g., from a class II to a class III area) to allow for more consumption of the allowable PSD increments.

Efforts to test, inspect, and enforce PSD compliance

After a PSD-permitted source has been constructed, EPA or the delegated state agency must conduct compliance tests to ensure that the source is operating in accordance with the PSD permit conditions. Initially, the source owner or operator notifies EPA or the state agency, as applicable, when it expects to start operating. Then, EPA or the state agency will participate in the initial tests at the source to determine if or when the PSD emission points (e.g., smoke stacks) are operating in accordance with the permit conditions. After the source has "passed" the initial compliance test, it is then in most cases inspected periodically by the state agency to ensure that it

continues to comply with the PSD conditions. EPA requires that PSD-permitted sources be inspected annually.

When an operating source is not complying with the PSD permit conditions, the delegated state agency is to take enforcement action to get the source into compliance. This is done either by working with the source owner or operator to correct the problem or by taking action such as issuing Notices of Violation, assessing monetary penalties, or shutting down the source until compliance is attained.

New Jersey

EPA region II currently notifies New Jersey when a PSD source has completed construction and is operating. This occurs because the 20 PSD permits issued to date in New Jersey were issued by EPA prior to delegation, so EPA has retained the responsibility for the initial compliance tests. New Jersey took over the responsibility for annual inspections and enforcement actions for operating PSD sources in 1984.

Of the 16 operating sources in New Jersey (4 of the 20 permitted sources were under construction), the state agency had inspected 3 sources at the time of our review. Those three sources were in compliance, according to the state inspection reports, and no enforcement action was needed. The remaining 13 sources were to be inspected by the end of the 1984 inspection year, according to a state agency official in the enforcement office, to comply with EPA's annual inspection criterion.

New York

EPA region II and New York have an agreement wherein EPA performs the initial compliance tests for PSD sources that begin operating. New York then becomes responsible for performing most of the annual compliance inspections. Some PSD sources, such as coal-fired utility stations, continue to be inspected by EPA.

New York has nine regional offices that perform the annual compliance inspections of the PSD sources. As of the end of the state fiscal year on March 31, 1984, those nine offices had inspected all of the 22 PSD sources under their inspection authority. According to New York inspection reports, 19 of the 22 PSD sources inspected were found to be in full compliance; 2 sources had a number of emission points that were in compliance and a number that were of unknown status (the latter emission points had not been inspected); and 1 source was of unknown status because the stack test results had not been submitted by EPA at the time of the inspection.

Georgia

Georgia performs the initial compliance tests and the annual inspections. At the time of our review, 28 PSD sources

were listed in Georgia, 10 of which were under construction or not constructed. The 18 operating sources had been inspected by the state 36 times during fiscal year 1983. During two of those 36 inspections, the state identified PSD violations. In one case, the state had issued a Notice of Violation requiring the source to correct the problem within 30 days. In the other case, the source's control equipment was found deficient, and that source was also given 30 days to correct the deficiency.

North Carolina

North Carolina performs both the initial compliance tests and the annual inspections. During fiscal year 1983 North Carolina inspected 19 of its 26 PSD sources a total of 46 times. (The seven sources not inspected were being constructed, had delayed construction, or were not fully operating.) No PSD violations were found at the 19 operating sources inspected.

Utah

Utah is responsible for performing compliance tests and inspections on operating PSD sources. Of the 17 PSD-permitted sources under Utah's responsibility at the time of our review, 7 were for sources not yet constructed and 10 were for operating sources. Utah could not inspect all of its operating PSD sources during the 1983-84 annual inspection period, as required by EPA, because it had too few staff resources at that time. As a result, Utah had inspected 8 of the 10 operating PSD sources. (The two PSD sources not inspected by Utah had been in compliance during prior years' inspections, however, and the state contemplated no change in compliance status.) Seven of the eight sources inspected were found to be in compliance. The remaining source, inspected in May 1984, was in noncompliance for excessive pollution emissions (fugitive dust); but at the time of our review, no enforcement action had been initiated.

Wyoming

Wyoming cannot legally assume inspection and enforcement responsibilities for EPA-issued permits. However, the state does complete compliance tests and inspections according to the state's construction permits, which would be required in addition to EPA's permits.

Of the 28 operating PSD sources we identified as being inspected by Wyoming during the 1983-84 period, 26 were found to be in compliance and 2 were not in compliance. According to a Wyoming technical supervisor in the state agency, one of the two sources not in compliance was under a state compliance order to correct the problem, and the other source was under a court-enforced compliance schedule. The latter source had also been fined \$140,000 for being out of compliance, but some of that fine may eventually be returned to the source if it meets certain compliance requirements.

Wyoming has had difficulty inspecting all of its major sources on an annual basis. EPA regional officials attribute this partly to Wyoming's focusing its limited resources on permitting rather than inspecting sources. This situation, like the one in Utah, could cause future compliance problems if major sources remain uninspected from year to year.

Overall, our review of the six states showed that the delegated state agencies' inspection frequency varied considerably from EPA's annual inspection criterion. While the state agencies in EPA region II inspected their PSD sources once a year as required, the state agencies in EPA region IV exceeded that rate by inspecting their PSD sources two or three times each year. Conversely, a state agency in EPA region VIII was unable to inspect every PSD source annually because of staff shortages and the increased number of sources that required inspecting.

Most of the inspection reports we reviewed indicated that the PSD sources had been determined by the states to be in compliance with the permit conditions. Therefore, little PSD-enforcement action was necessary. Of the 98 operating PSD sources inspected by the six states during the 1983-84 period, 5 sources were found to be out of compliance and 1 monetary penalty was levied.

CONCLUSIONS

The overall results of our review of the preconstruction review process indicated that the states placed the same or more emphasis on the processing steps than did their cognizant EPA regions. Further, the states generally completed their reviews and issued their PSD permits in less time than EPA.

On the other hand, our review showed that not all states were maintaining complete and accurate emissions inventories to determine whether maximum emission levels are reached. At this point, neither EPA nor the state agencies appear too concerned about this problem, as few PSD sources had been permitted to affect the clean air areas and none of the states were near the maximum levels.

Our review also showed that state inspections of PSD sources varied considerably from EPA's annual inspection criterion. State agencies in one EPA region maintained their annual inspections, although state agencies in another region exceeded that rate and a state agency in the third region could inspect only 8 of its 10 operating PSD sources during the 1983-84 annual inspection period.

CHAPTER 4

EPA's OVERSIGHT ROLE AFTER DELEGATING THE PSD PROGRAM

After delegating PSD program responsibility to a state, EPA is responsible for overseeing the performance of the state to ensure that the program is operating in accordance with the Clean Air Act requirements and EPA regulations. EPA uses various types of oversight efforts to obtain information on states' implementation of the PSD program. At the time of our review, EPA's primary oversight information was obtained through (1) annual mid-year audits, (2) national air audits, (3) periodic reviews of state-processed PSD applications and state-issued permit files, and (4) periodic inspections of operating PSD sources. The two audit efforts covered all aspects of delegated air pollution control programs and were not limited solely to the PSD program.

Our analysis of EPA's oversight efforts at the six state agencies indicated that the above-mentioned mechanisms afford EPA ample opportunity to monitor state activities after PSD program delegation. On the other hand, we found that two of the three EPA regions we reviewed did not know the current status of some PSD activities because staff shortages prevented the regions from maintaining up-to-date PSD information in their computerized Compliance Data System (CDS). In one region, inspection information on PSD sources had not been entered into the CDS for over 2 years, making it difficult for EPA to obtain the current compliance status of each source without having to rely on the state agencies. In the other region, applications determined not subject to the PSD requirements had not been entered into the CDS since 1981; therefore, a complete listing of all PSD applications received and reviewed by EPA and the states could not be obtained from the system.

We could not determine what effect, if any, the lack of current information in the CDS had on EPA's oversight efforts. However, our review showed that the three regions had each placed different levels of priority on maintaining the system.

MID-YEAR AUDITS PERFORMED TO IDENTIFY PROBLEMS IN STATE PSD PROGRAMS

EPA regions II, IV, and VIII have performed in-depth annual mid-year audits of state air pollution control programs for several years, both before and after delegation. These audits determine how successful a state had been in accomplishing the goals and objectives outlined in its air grant agreement (Section 105 of the Clean Air Act), including those dealing with PSD. These audits also provide EPA with information on such matters as the modeling capabilities and staff skills of the states' air programs.

In performing mid-year audits, the cognizant EPA region selectively reviews construction permits and source files to determine the adequacy of the permit issuance process. Specifically, the region selectively checks the states' permitting actions during the review year, including PSD applicability determinations, compliance with permit conditions, air quality reviews, BACT analyses, modeling techniques, and air-monitoring activities. In addition, the EPA region assesses the states' enforcement and inspection procedures. When an EPA region completes a mid-year audit of a state, the results of the review are communicated to the state in a summary letter accompanied by a detailed back-up report.

EPA region II officials said that their mid-year audits constituted the most formal level of communication between the regional staff and the state air program staff. The officials also said that the mid-year audits evaluate what a state has accomplished during the year.

In addition to the mid-year audits performed by all three regions, EPA region II plans to do end-of-year audits in fiscal year 1985 to provide further oversight information. Regional officials said that end-of-year audits had generally not been done in the past because of higher priority work and because the timing of the performance of those audits had usually been too late to provide input for the subsequent year.

In EPA region VIII quarterly reviews of state air grant agreements were also being conducted. The first and third quarter reviews were not detailed and were usually exception based (i.e., if a problem surfaced as a result of the review, it was reported). The second and fourth quarter reviews were more detailed, with the second quarter review feeding directly into the mid-year review.

NATIONAL AIR AUDITS
PROVIDE FOR UNIFORM REVIEW
OF STATE AIR PROGRAMS

In fiscal year 1984 EPA's 10 regional offices began performing national air audits of state air programs. Those audits resulted from a joint effort by the State and Territorial Air Pollution Program administrators, the Local Air Pollution Control officials, and EPA to develop a National Air Audit System (NAAS) for evaluating the performance of all air pollution control agencies receiving federal funds under the section 105 air grant program of the Clean Air Act. This joint effort culminated in the issuance of EPA's National Air Audit System Guidelines for fiscal year 1984, which provided a uniform basis for evaluating all regions' air pollution control programs, including the PSD program.

NAAS audits are detailed examinations of how things are done (procedural emphasis) by a state agency; mid-year audits determine what a state agency has accomplished with respect

to its section 105 air grant agreement with EPA. Although mid-year reviews have provided some information in the past on procedural issues, the NAAS audits are intended to provide a uniform basis on which such information is obtained and reported.

During fiscal year 1984 EPA examined the following four program areas under the NAAS framework:

- air quality planning and SIP activities,
- new source review (includes PSD),
- compliance assurance, and
- air monitoring.

Specific national audit questionnaires were developed for each of the program areas, and the EPA regional offices used the questionnaires to conduct the NAAS audits of their respective states. The initial phase of the audits entailed sending the audit questionnaires to the states to be filled out based upon each state's understanding of how its programs were being administered.

In the second phase, EPA regional air program staff made on-site visits to state air program offices and selectively reviewed new source-permit and compliance files. The objective of those file reviews was to obtain sufficient information for EPA to independently complete the audit questionnaires. The last phase consisted of EPA meeting with state air program officials to compare its questionnaire responses with those of the states. Based on the discussions at those meetings, the EPA regions developed detailed findings for each state air program.

In EPA region II the NAAS audits showed that New Jersey and New York were generally conducting comprehensive and effective air pollution control programs. In both states, however, certain areas were identified for improvement. For example, the NAAS audit found, among other things, the following:

- New Jersey performed air quality modeling analyses that were seriously limited by its present minicomputer system. The state's modeling staff also lacks the necessary training and experience to resolve complex dispersion modeling issues that arise when specific written guidance is not available or for which judgment and interpretation involving theoretical applications of models is needed.
- New York recognized the purpose and benefits of utilizing models and incorporated them into control strategy decisions in an excellent manner. However, the adequacy of state models could not always be determined since an

air quality equivalency demonstration was not always submitted to EPA for review and approval. Further, the state had not consistently documented justification for emission estimates, determinations of program applicability, or the rationale for PSD approvability and completeness determinations.

In EPA region IV the NAAS audits for Georgia and North Carolina also found that those states were generally doing a good job carrying out their air pollution control programs. The NAAS audit for both states identified certain areas for improvement, however. For example,

- Georgia did not track cumulative pollution emissions from minor sources. Such information should be tracked to ensure that PSD increments allowed under the Clean Air Act will not be exceeded in class I or class II areas.
- North Carolina had not documented the present compliance status in one-half the source files reviewed by EPA. In some files, there was inadequate documentation regarding follow-up inspections or enforcement actions.

In EPA region VIII the NAAS audits for Utah and Wyoming found that generally those states were doing a good job, operating their air pollution control programs with capable staff. Moreover, the audits found that both states' PSD programs required that BACT be applied to all new sources regardless of size or expected emissions. That requirement minimized the possibility for industry to circumvent the permit process, a point that region VIII officials told us was important because BACT is the primary requirement that industry tries to avoid. In both states, certain areas were identified for improvement, as follows:

- Utah could not completely document its overall source compliance because it had not inspected all its pollution sources. In addition, it appeared that there was no consistency for when an annual source inspection was performed. Some sources were inspected every year, some every other year, and some once in 3 years.
- Wyoming could improve its inspection frequency and compliance documentation.

Because the NAAS audit concept was not implemented until fiscal year 1984, subsequent NAAS audits may be revised to cover other program areas. EPA officials told us, for example, that the fiscal year 1985 NAAS audits may also cover inspection and maintenance under the new source review program area.

OTHER EPA ACTIVITIES PERFORMED
TO MEASURE QUALITY OF STATE
PSD PROGRAMS

In addition to mid-year and NAAS audits, the three EPA regions included in our review selectively inspected a number of air pollution sources as part of their oversight efforts. The purpose of those oversight inspections was to determine the effectiveness of state inspection programs after delegation. In addition, two of the three EPA regions selectively reviewed state PSD permit files to determine their quality and completeness.

EPA region II officials usually performed their selective oversight inspections by observing some of the state inspectors as they did their periodic compliance inspections. Although region II officials were unable to show us documentation on the number of oversight inspections they had performed on PSD sources in fiscal year 1983 and 1984, they assured us that such inspections had been done.

EPA region IV has a policy to randomly inspect 3 percent of the air pollution sources in each of its states to determine the adequacy of the state inspection programs. EPA officials either perform the inspections themselves or observe some of the state inspectors as they perform the inspections. Similarly, EPA region VIII has a policy to inspect 5 to 10 percent of the air pollution sources each year. A file review of state inspection reports is performed; then a state official will frequently accompany the EPA official conducting the oversight inspections.

EPA region II's delegation agreement with New Jersey states that EPA will annually audit no more than 10 percent of the permit files, with a minimum of two files. With New York, the delegation agreement provides that EPA will annually review no more than 10 percent of that state's PSD permit files. Moreover, both states' agreements provide that EPA will annually review 10 percent of the PSD applicability determinations, with a minimum of two files. (In New Jersey, the agreement also provides that EPA will review, prior to issuance, the state's first four PSD permits and the first four PSD applicability determinations.) Similarly, EPA region IV's policy is to annually review 10 percent of all delegated state permit issuances, with a minimum of three files.

EPA'S COMPLIANCE DATA
SYSTEM IS NOT ALWAYS CURRENT

EPA's intent is to maintain a computerized account of the compliance status of all permitted air pollution sources to assist in its oversight role. The Compliance Data System (CDS) was implemented by EPA to serve as a tool for tracking each state's air program activities. During our review, we found that two of the three EPA regional offices had not updated all PSD-related information in the CDS, so the system's use as a

tracking tool was limited. According to EPA officials in those two regions, staff shortages or higher priorities prevented them from keeping the CDS up to date.

The CDS is designed to contain detailed information on all air pollution control programs, including the PSD program. This system is to provide among other things

- a listing of the applicability determination made for each application received;
- a listing of all permitted air pollution sources, including PSD;
- the air program regulations applicable to each permitted source;
- the number of state and EPA inspections of each permitted source;
- the enforcement actions taken (i.e., noncompliance citations and fines);
- the compliance status of each permitted source (or of specific emission points within a source); and
- the operating status of each permitted source.

In EPA region VIII we found that information in the CDS had not been updated in about 2 years because of staff shortages. As a result, we encountered problems in obtaining complete and accurate information from the region on the numbers of permitted sources, which sources were PSD sources, the number of sources actually operating, how often operating sources had been inspected, and the compliance status of operating sources. Although EPA regional personnel had updated some of the data on inspections for Utah and Wyoming by May 1984, sources could not be identified as PSD-specific nor could current compliance or operating status be provided at the time of our review. Region VIII officials told us that they were continuing their efforts to update the system as resources permitted.

In EPA region II we found that EPA had not entered any information on source applications determined not subject to PSD requirements in the CDS since March 1981. Regional officials told us that they wanted to update this information but had not because of higher priority work that competes for CDS computer time.

In contrast to these two regions, EPA region IV maintains up-to-date information in the CDS.

CONCLUSIONS

EPA's oversight activities--which consist of annual mid-year audits, national air audits, periodic reviews of states' PSD applications and permits, and periodic inspections of PSD sources--can provide EPA needed information to effectively monitor the PSD program after delegation. One problem, however, is that accurate, up-to-date information on PSD activities is not available at all EPA regions.

Our review of three EPA regional offices disclosed differences in the priority given by each region for updating CDS information. The CDS concept seems reasonable for assisting EPA regions in their oversight of delegated air prevention and control programs. However, since at least two EPA regions do not maintain current data in the CDS, it raises a question as to the effectiveness of the system as a tool for monitoring and tracking each state's air program activities.

RECOMMENDATION

We recommend that, because of the differences in priority given the CDS by EPA regions II, IV and VIII, the EPA Administrator reevaluate the importance of the system as an oversight tool for all air pollution control programs and, if warranted, give the CDS the priority needed to keep the information current and uniform in all EPA regions.

DELEGATION STATUS OF PSD PROGRAM
AS OF SEPTEMBER 30, 1984

<u>EPA region</u>	<u>Full delegation</u>	<u>Partial delegation</u>	<u>No delegation</u>
	-----state agencies-----		
I	Vermont Maine Massachusetts	Rhode Island Connecticut New Hampshire	
II	New Jersey New York		
III	Pennsylvania Virginia Maryland Delaware	West Virginia Washington, D.C.	
IV	Florida North Carolina Tennessee South Carolina Mississippi Kentucky Georgia Alabama		
V	Indiana Ohio Minnesota Michigan Illinois	Wisconsin	
VI	Oklahoma Arkansas	New Mexico Texas Louisiana	
VII	Nebraska Missouri		Kansas Iowa
VIII	Montana Utah Wyoming North Dakota	Colorado	
IX	Hawaii Nevada Arizona		
X	Washington Alaska Oregon		Idaho

<u>EPA region</u>	<u>delegation</u>	<u>delegation</u>	<u>delegation</u>
	-----local agencies-----		
III	Allegheny Co., PA Philadelphia, PA		
IX	Clark Co., NV	Maricopa Co., AZ Pima Co., AZ Bay Area Dist., CA Kern Co., CA San Diego Co., CA So. Coast Dist., CA Ventura Co., CA Washoe Co., NV	

Total <u>60</u>	<u>39</u> full delegation	<u>10</u> partial delegation	<u>11</u> no delegation

Source: EPA's Strategic Planning and Management System, Fourth Quarter FY 1984 Report, Sept. 30, 1984

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