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OVERVIEW

This Operating Year Guidance is intended to provide direction for planning for and initiating the major activities the Agency will need to pursue during the remainder of Fiscal Year (FY) 1981 and 1982.

EPA has been given some major new responsibilities as a result of passage of Superfund legislation. Carrying out these new responsibilities in a time of marked fiscal restraint will require that we shift resources to Superfund and focus our other resources more narrowly on those activities that have significant public health and environmental payoff. We will also need to increase delegation of environmental programs to state and local governments. Finally, we need to eliminate any unnecessary burdens that our regulations have created and simplify and better coordinate our operation of programs. We must find more efficient ways of managing our programs so that they are less resource intensive, do not discourage industrial growth or technological innovation, and are not unnecessarily costly.

The activities discussed below are the areas of most significant change and the cross-cutting activities we expect to emphasize most in the coming fiscal year. Program-specific priorities and activities are contained in the individual program statements that follow this Overview.

Hazardous Wastes/Superfund

The Superfund legislation allows EPA and the states to respond to hazardous waste spills and uncontrolled waste disposal sites. EPA must implement Superfund in a way that gives states a significant role in selecting sites for Superfund action and emphasizes private sector and state clean-up to the extent possible. In so doing, the Agency will need to integrate its new Superfund responsibilities with the Resource Conservation and Recovery Act (RCRA) Hazardous Waste Management program and with existing functions under §311 of the Clean Water Act.

The Agency must also ensure that facilities comply with interim requirements under RCRA. We must prioritize our permitting of hazardous waste facilities to emphasize creation of new disposal capacity.

Procedural Reforms

EPA will revise and improve its regulatory development process as mandated by Executive Order 12291 on Federal Regulation, the Regulatory Flexibility Act, and the Paperwork Reduction Act. The purpose of these reforms is to ensure that the Agency's regulations do not impose unnecessary costs on society in achieving their intended results.

We will develop guidance that program offices can use to perform the required Regulatory Impact Analyses (involving both cost and benefit analyses) for major regulations and the Regulatory Flexibility Analyses for regulations that will have significant impacts on small businesses, small government jurisdictions, and other small entities.

Under the Paperwork Reduction Act, EPA will develop procedures to produce an annual Information Collection Budget and manage its information collection requirements to ensure that we impose no more information collection burden on the regulation population than is absolutely necessary. We will also review existing regulations to ensure that their requirements are reasonable and not overly burdensome.

Integrated Toxics Strategy

The Agency must strengthen its toxics integration activities in order for its actions in this area to be environmentally effective, internally consistent, and economically viable. The Offices of Toxics Integration and Policy and Resource Management are leading an effort to develop an Agency-wide strategy for designating, gathering information on, regulating, and otherwise responding to high priority problems with toxic chemicals. This strategy for dealing with top priority chemicals as well as major industrial sources and geographic concentrations of these chemicals will be outlined by the end of FY 1981. During FY 1982, all parts of EPA will be required to follow the strategy the Agency adopts, providing adequate resources for toxics integration in FY 1982 operating plans and the FY 1983 budget.

To ensure consistent Agency attention to high priority chemical problems before completion of the integrated toxics strategy, the Toxic Substances Priority Committee (TSPC) has formulated an initial list of high priority chemicals and associated industries for use by Headquarters and the Regions in FY 1982. The TSPC is preparing packages of currently available information on each priority chemical for EPA staff and state and local officials. The priority chemicals/ industries list should be used by all Agency toxic programs and all Regions to make sure that priorities for regulations, monitoring, permitting, emergency response, and site clean-up reflect appropriate consideration of these chemicals and the industries which generate or discharge them.

Regulatory Reform

Because regulatory reform focuses on developing new alternatives to pollution control regulation that encourage pollution reduction while reducing unnecessary burdens on industry, it is an important part of EPA's regulatory strategy. We will reexamine our approaches to regulation so that we employ innovative methods to reduce Agency overhead. Special emphasis will go to those approaches that cut the costs to industry and to state and local governments of achieving and maintaining environmental quality. The Office of Policy and Resource Management will serve as the lead in this area, but other programs and the Regions should seek opportunities to build on that work.

We expect to expand use of regulatory reform efforts such as the Bubble policy in our Air program. We can do this by streamlining our policies for these reforms to make them easier to use, extending similar ideas to other program areas where they appear advantageous, and actively promoting the adoption of existing controlled trading reforms within more industries and more areas of the country.

The Agency will also promote consolidated permits in Regional offices and in states with delegated NPDES and RCRA programs to streamline and simplify permitting procedures.

Energy

The environmental impacts of energy development will be one of the major issues facing the Agency. As fuel prices increase there will be pressure to use alternative sources of fuel. The Agency should encourage clean, inexpensive, and environmentally sound energy alternatives. We must streamline permitting requirements for energy facilities. We also will implement an integrated plan for the regulation of possible new synfuel facilities so that those which are built are properly controlled and are not delayed by uncertain permit procedures.

Construction Grants

The Agency's Construction Grants program will undergo a major reorientation in FY 1982. The Office of Water will implement changes reflecting increased delegation of the Construction Grants program to the states. As delegation of the program proceeds, the states will become stronger partners in efforts to provide for municipal wastewater treatment systems. As more project management responsibility goes to the states, EPA will focus on regional/national program management and on providing the technical, fiscal, and administrative tools to support strong state programs.

Continuous Compliance: Operations and Maintenance

EPA's emphasis on compliance with regulations and standards has for some time focused on initial compliance. The Agency now should move actively to ensure that industries and municipal treatment systems achieve continuous compliance with standards. EPA will redirect resources for monitoring, enforcement, and research and development from initial compliance to continuous compliance. We will also begin to develop basic methods and tools needed to identify, monitor, inspect, and correct compliance problems.

Develop A More Effective Partnership with States

EPA will delegate programs or portions of programs to the states in as many areas as possible. The Agency needs to improve its ability, expertise, and mechanisms for assisting the states in carrying out these delegated programs.

The Agency also needs to improve joint planning efforts with states through the State/EPA Agreements (SEAs). We must strengthen the use of the SEA process as a way to give states an opportunity to negotiate priorities with EPA and to make clear what assistance they need from EPA to most effectively manage environmental programs. Only if we strengthen the balance between EPA and the states in SEA negotiations can SEAs become a means for creating a stronger partnership between EPA and state and local governments.

Vigorously Pursue Equal Employment Opportunity and Civil Rights Actions

EPA will exercise every opportunity to provide equal employment opportunities to all persons in all of its hiring actions. For those actions that previously have resulted in formal discrimination complaints, the Agency will eliminate that backlog. Any future complaints will be processed promptly so that significant backlogs do not occur.

Program Evaluation

The Agency must be able to measure its effectiveness in achieving its goals. To do so, it needs to build systematic evaluations into all of its programs to determine effectiveness and ensure a proper division of responsibility between Federal, state, and local government. EPA needs to increase the use of the results of evaluations to develop proposed revisions to existing legislation and to propose new legislation, where appropriate.

Monitoring and Information Management/Quality Assurance

EPA's ability to collect adequate, accurate, and timely data and to use it in decision-making is critical to the sound management of the Agency's work. For that reason, in FY 1982, the Agency must improve its ability to measure the effectiveness of its programs and to use environmental data in policy and program planning.

* * * * *

As stated earlier, this overview and the program statements are intended to provide Operating Year Guidance that Headquarters, Regional, and state managers can use to carry out their immediate planning, budgeting, and other management responsibilities. The individual program statements that follow identify specific program priorities on which Headquarters and Regional Offices should focus their efforts. The statements contain two types of priority activities. Level 1 priorities are those that Headquarters or Regional Offices should plan to do and for which resources will be available. Level 2 priorities are activities we think are also important, but that Headquarters and Regional staff may only be able to undertake on a selected basis because of limited resources.

Anne M. Gorsuch
Administrator

AIR, NOISE, AND RADIATION
OPERATING YEAR GUIDANCE FOR FY 1982

THE AIR PROGRAM

Our main concern in FY 1982 will be to assist the states in implementing the requirements of the Clean Air Act. The states are currently working to bring all conditionally approved SIPs to fully approved status, to complete special analyses, where required, and to put necessary regulatory strategies in place. In those instances where time for attainment of standards has been extended beyond 1982, the states will need to develop new State Implementation Plans (SIPs). Special problems the states may encounter include data base development, attainment date demonstration analysis, and the adoption of necessary regulations. EPA will make technical assistance available to state and local control agencies in their efforts to solve these problems.

In 1981, resources from the new source performance standard (NSPS) effort were reprogrammed to produce control technique guidance documents for additional sources of volatile organic compounds. Consequently, we have not completed NSPS for all major stationary source categories. Work in this area will continue through FY 1982. In developing NSPS, the Office of Air Quality Planning and Standards (OAQPS) will consider operating procedures which support EPA's continuous compliance initiative.

Increased attention should be paid to developing more efficient ways of dealing with hazardous air pollutants, so as to reduce the possibility of widespread exposure of the public to significant risk from these substances. Activities in this area must be closely coordinated with other EPA activities to control toxic pollutants. In addition to efforts in this regard by the Office of Air Quality Planning and Standards, the Mobile Source Air Pollution Control Program will work with ORD to assess the toxic potential of both new fuel sources and new control technologies.

During 1982, Regions should work closely with the states to develop high quality Prevention of Significant Deterioration (PSD) programs. States will be encouraged to develop and submit SIPs for PSD so they can assume administration of this program. In the absence of approved SIPs, Regions should delegate those portions of the program which the states are technically able to conduct.

In 1982, we will also continue to evaluate the extent of the problem of acid deposition through long-term monitoring, and will investigate alternative strategies for remedial action if determined to be needed. States should be urged to weigh possible impacts on downwind areas when considering requests for relaxation of existing sulfur dioxide (SO_2) control requirements.

The nation is committed to increasing the use of coal for energy production. Coal conversion proposals must receive expeditious and thorough reviews by the Regions and states.

At Headquarters, we must accelerate our efforts to improve the accuracy of our estimates of in-use fuel economy for mobile sources and to develop ways of better informing the public about gasoline consumption of new vehicles. Similarly, we must improve our ambient monitoring networks to ensure they are more scientifically valid and appropriate.

The Air Program will encourage, through regulatory reform, alternative approaches to achieving air program goals which offer economic incentives and which are less costly to administer and to implement, such as the "Bubble."

Headquarters Objectives and Activities

First Level Objectives

- Work with Regions to improve management of the SIP process by strengthening states' roles in SIP decision-making; delegate regulatory responsibilities to states wherever possible; strive to eliminate the current backlog of SIP revisions and permit applications.

- Establish the regulatory framework and provide technical guidance necessary for completion of the 1982 ozone (O_3)/ carbon monoxide (CO) SIPs.

- Continue to evaluate the extent of the problem of acid deposition and investigate strategies to address it.

- Implement programs for control of toxic air pollutants under Section 112 and 111(d) in conjunction with Agency toxic-related priorities.

- Enhance the ability of Regions and states to identify problems, assess control technology, and regulate sources of air toxics. Emphasis should be on incineration, the synthetic organic chemical manufacturing industry, and air emissions from waste disposal.

- Assess and regulate, as appropriate, air toxic emissions from selected industries and pollutants to be identified by EPA's Toxic Substances Priority Committee.

- Maintain NSPS development schedule for major stationary sources.
- Review and revise ambient air quality standards on schedule and publish monitoring and SIP requirement guidelines.
- Improve the scientific validity and appropriateness of ambient monitoring networks.
- Provide technical assistance to states establishing Inspection and Maintenance (I/M) programs.
- Develop and implement improvements in fuel economy measurement and labeling.
- Evaluate the need for control of unregulated mobile source pollutants.

Regional Objectives and Activities

First Level Objectives

- Strive to eliminate any backlog of pending permits or SIP revisions. Investigate ways of streamlining the process and eliminating any possible duplicative steps or potential delay.
- Provide technical assistance to states where requested for a smooth start-up of I/M programs.
- Assist the states where requested in selecting and implementing alternative transportation strategies essential to the attainment of standards.
- Work with states to develop acceptable aerometric emissions data bases for 1982 O_3/CO SIPs by December 31, 1981.
- Complete transfer of the TSP/SO_2 PSD program to remaining states having major industry or growth.
- Work with the states to improve the quality of state new source review programs, providing assistance where needed.
- Delegate the NSPS programs for all source categories to the extent possible in order to avoid state/EPA duplication in regulation of new sources.
- Write PSD permits for new sources in non-delegated states.

- Expedite review or revision of emission limits required by interstate actions under Section 126, fuel/energy decisions, tall stack policies, litigation, etc. The bubble policy should be implemented where appropriate.

- Ensure quarterly data submissions for the National Air Monitoring Stations (NAMS) in compliance with all guidance concerning siting, design, and quality assurance. Special emphasis should be placed on sites to be used to assess 1982 attainment.

- Maintain implementation schedule of State/Local Air Monitoring Stations (SLAMS). Jointly review the status of existing networks with the states.

Second Level Objectives

- Complete Major SIP Actions

  Some states will require SIPs for lead and 111(d) plans in FY 1982.

- Continue Key Special Purpose Monitoring

  Maintain the network for assessing particle size in selected areas; report the air quality index; and review source-operated PSD networks.

Objectives for State/EPA Agreements and Grant Negotiations

State/EPA Agreement Objectives

- Air Toxics Initiatives

  Improve existing mechanisms for controlling toxic pollutants that pose problems at the state/local level.

- PSD

  Encourage states having major industry or growth to assume PSD responsibility either through an approved state plan or delegation from EPA.

- In-Use Vehicle and Transportation Control Programs

  Provide states with assistance requested to minimize problems in their initiation of I/M and transportation programs.

o Regulatory Reform

Encourage and facilitate state development of mechanisms for establishing and implementing regulatory reform innovations such as the "bubble."

Grant Objectives

Grants should be made to states for the following priority activities:

o 1982 O_3/CO SIPs -

- Implement stationary source volatile organic compound controls.
- Implement I/M.
- Complete SIP data base and submit SIP.
- Coordinate transportation planning with lead planning agencies.

o New Source Review

- Assume PSD responsibility.
- Cooperate with EPA audit or review programs.
- Assume full responsibility for NSPS.

o Air Monitoring Regulations

- Report and verify NAMS data.
- Complete SLAMS network by January 1983.
- Report all necessary aerometric data.

AIR ENFORCEMENT

In FY 1982 EPA will work with the states to develop continuous compliance systems that will assist in dealing more effectively with continuing intermittent noncompliance by stationary sources. Priorities for enforcement actions will be developed, and appropriate enforcement tools for continuous compliance cases developed.

In the Mobile Source area, selective Enforcement Audits will be the primary means of ensuring that production vehicles meet emission standards. States should be encouraged to establish in-use enforcement programs.

Stationary Source Enforcement

Headquarters Objectives and Activities

- Support litigation activities.
- Develop more flexible guidance on implementation of noncompliance penalties under §120 of the Clean Air Act.
- Assist states in developing continuous compliance systems to deal more effectively with continued intermittent noncompliance.
- Conduct New Source Performance Standards (NSPS) and National Emission Standards for Hazardous Air Pollutants (NESHAPS) enforcement activities.

Regional Objectives and Activities

First Level Objectives

- Initiate, in cooperation with states, appropriate administrative and civil enforcement actions and track consent decrees and schedules.
- Ensure compliance with permit conditions by new sources.
- Assess and collect noncompliance penalties in consultation with states, and work with states in promoting delegation of §120 authority.
- Ensure compliance with NESHAPs and NSPS.
- Work with states to bring cases against sources which have not made reasonable efforts to maintain continuous compliance with applicable regulations.

Region-Specific Objectives and Activities

- A level 1 priority, particularly in the Western Regions, is working with the states in issuing and ensuring compliance with nonferrous smelter orders.
- Emphasis should be given to supporting the Department of Energy's expanded coal conversion program. This may involve issuing §113(d)(5) orders and reviewing requests for §110(f) suspensions in cases of alleged Regional or national energy emergencies.

Mobile Source Enforcement

Headquarters Objectives and Activities

First Level Objectives

- o Assembly line testing and recall programs.
- o Anti-tampering and anti-fuel switching efforts.
- o The state/local anti-tampering and anti-fuel switching enforcement program will continue as a high priority via a special allocation of Section 105 air grant funds.

THE RADIATION PROGRAM

Highest priority in 1982 should be given to work related to radioactive waste disposal standards -- in particular, high level waste disposal, uranium mill tailings, and low level waste (including de minimis standards). In FY 1981, Clean Air Act activities (regulation of radionuclides) and radon efforts should be managed so that attention and resources are focused on projects that can be completed. The work should be designed to support action related to other state and federal management and regulatory activities.

In the FY 1982 Regional program, particular attention should be given to EPA Regional participation in emergency response plan development and testing under Federal Emergency Management Agency guidelines.

Headquarters and Regional Objectives and Activities

First Level Objectives

- o Promulgate a high level waste standard. (HQ)
- o Complete regulations under the Uranium Mill Tailings Act. (HQ)
- o Maintain a state of readiness in EPA response capability and participate in the review and testing of state Emergency Response Plans. (HQ, Regions)
- o Propose standards for low level waste disposal. (HQ)
- o Study the need for a Federal guidance document for non-ionizing radiation. (HQ)

Second Level Objectives

- o Provide support for implementing radiological standards and guidance. (HQ, Regions)
- o Provide support for the Environmental Radiation Ambient Monitoring Systems. (HQ)
- o Review Environmental Impact Statements. (HQ, Regions)

Region-Specific Objectives and Activities

Regions involved with the implementation of Mill Tailings Standards should treat them as a first level priority.

Objectives for State/EPA Agreements and Grant Negotiations

State/EPA Agreement Objectives

The Radiation Program's primary objective for interaction with the states must be review and regular testing of emergency response plans. The State/EPA Agreements should detail the role EPA Regions will play.

THE NOISE PROGRAM

The President's 1982 budget calls for phasing out the Noise Program by the end of FY 1982. As a consequence, no provision is being made to continue Regional programs beyond September 30, 1981.

The Agency has approximately 18 months in which to phase out the Noise Program. This must be accomplished in an orderly manner. Emphasis should be placed on transfer of information to states and local communities which desire it for continued noise abatement programs after the Federal program ends.

WATER
OPERATING YEAR GUIDANCE FOR FY 1982

The multiplicity and complexity of the tasks which confront the Office of Water demand that we utilize the resources and expertise available at the state level to the maximum extent possible. Delegation of programs to states for implementation is an effective way of carrying out Agency responsibilities. We must orient our activities toward development of state capability to operate effective environmental programs. In addition, the Office of Water must carefully re-examine all of its program activities to ensure their beneficial effect on the public and the environment is gained without undue regulatory cost or administrative burden.

THE WATER QUALITY PROGRAM

The Water Quality Program will reflect a reduced level of available EPA resources in FY 1982. Major emphasis will be on implementing and improving existing programs.

By FY 1982, regulations and planning establishing the foundation for point source control programs will be largely in place. As a consequence, the Water Quality Program's major emphasis in FY 1982 will be to encourage implementation of control measures at the state level and carry out Federal responsibilities. To this end, the Water Quality Program's major 1982 goals are:

- To improve the process for setting environmental priorities and coordinating program activities both within the Agency and at the state level.
- To improve monitoring programs.
- To encourage states to examine the attainability of stream use designations in targeted areas.
- To develop Best Available Technology (BAT) guidelines for incorporation in industrial permits. (The Office of Water Enforcement guidance elaborates further on this goal.)
- To reorient the management and funding priorities of the Construction Grants Program to accentuate results-oriented management (including water quality impacts) and to shift the project management responsibilities to the states through delegation.

The Agency will not request additional appropriations for grants to states under the Section 208 program or the Section 314 Clean Lakes program. Section 106 funds can be used for general nonpoint source control program development and lake restoration activities.

Headquarters and Regional Objectives and Activities

First Level Objectives

- o Improve overall water quality program management and problem identification.

  - Identify and characterize state environmental problems utilizing 305(b) reports, hot spot analyses, Water Quality Management plans, and other environmental assessments. Develop Regional water media strategies reflecting state assessments and the national Water Quality Management (WQM) strategy. (Regions)

  - Ensure that plans for point and nonpoint source control measures will yield consistency among NPDES permits, construction grants, and WQM plans, in accordance with Sections 208(d) and (e) of the Clean Water Act. (Regions)

- o Improve monitoring capabilities to establish more statistically representative and scientifically valid measurements of environmental quality. Identify priority areas for pollution control programs and track the success of these programs, emphasizing the Agency's intermedia pollutant priority list.

  - Assisted by an interagency agreement with the U. S. Geologic Survey, collect and analyze biological and chemical monitoring data for assessing water quality and provide data to STORET in standardized format. (HQ, Regions)

  - Develop better data analysis for measurable water quality improvements. (HQ, Regions)

  - Help states improve their water monitoring programs by implementing the Basic Water Monitoring Program, water monitoring strategy, five-year toxic pollutant monitoring plans, and state and Regional quality assurance programs. (HQ, Regions)

  - Carry out demonstration prototypes as part of the water monitoring strategy. (Tentatively, Regions II, IV, V, and X)

  - Perform priority pollutant analyses to determine exposure/fate of pollutants. (Regions)

- o Help states improve their water quality standards (WQS) development and attainment programs, including wasteload allocations.

- Encourage states to complete WQS attainability assessments, modify existing use designations where justified, and prepare wasteload allocations, focusing on waterways with major permit actions scheduled, situations where more than secondary treatment is required, and areas with high priority toxics problems. (HQ, Regions)

- Identify areas potentially in need of "hot spot" studies (to determine if post-BAT controls may be required) and track state/Regional follow-up of action recommendations from FY 1981. (HQ, Regions)

o Target solutions to site-specific problem areas identified through state/Regional problem assessments.

  - Build the nonpoint source information base and transfer network, using results of nonpoint source prototype projects to the extent resources allow. (HQ, Regions)

  - Assist Regional permit writers to interpret and apply the BAT and BCT development documents, emphasizing pollutants on the intermedia priority list. (HQ)

  - Reassess EPA's involvement in the Great Lakes program while continuing to fulfill current abatement and control responsibilities under the Great Lakes program.

o Reorient the management and funding emphasis of EPA's Construction Grants Program in FY 1982 to reflect more efficient and effective targeting of the limited personnel and grant resources.

  - Establish and put in place a management and evaluation system covering Headquarters, Regional, and state priorities that stresses environmental and program results. (HQ, Regions)

  - Complete delegation of all project level activities to most states and show significant progress toward moving EPA out of project level management decisions. (Regions)

- Complete an overall evaluation of the existing regulations to determine better and more efficient approaches to grants management, leading to significant regulatory and policy reform. (HQ)

- Assuming passage of the Administration's legislative proposal to reform the Construction Grants program, limit funding to treatment-related projects (Needs Survey categories I, II and IVB) in conjunction with the Municipal Management System and water quality emphasis. (Regions)

- Streamline the entire grants process. (HQ, Regions)

- Accelerate evaluations and determinations on applications for ocean discharge waivers (301(h)). (HQ, Regions)

Second Level Objectives

o Improve state WQS programs, including wasteload allocations. (Regions)

  - Confine toxics reviews to areas designated "fishable/swimmable" where actual toxic ambient levels jeopardize the use designation.

  - Perform intensive monitoring efforts in areas identified as "hot spots" and develop controls as appropriate. (Regions)

  - Help states prepare wasteload allocations for minor municipal and industrial dischargers not addressed in first level objectives. (Regions)

  - Develop and refine wasteload allocation procedures for toxic pollutants. (HQ)

o Issue regulations (in coordination with the Department of Energy and the National Oceanic and Atmospheric Administration) for deep sea mining and ocean thermal energy conversion. (HQ)

o Conduct WQM Program Reviews. (HQ, Regions)

o Manage construction grants activities not delegated.

  - Administer project-related activities not yet assumed by delegated states, focusing on Step 1 and facility planning decisions and making maximum use of the Corps of Engineers in other areas. (Regions)

Objectives for State/EPA Agreements and Grant Negotiations

State/EPA Agreement Objectives

- o Ensure that State/EPA Agreements reference Section 205(g) state delegation agreement timetables, EPA oversight functions, and the scope of delegation.
- o Negotiate with the states to give priority to funding treatment-related projects.
- o Negotiate a schedule for WQS attainability assessments to be conducted by the states with EPA assistance.
- o Negotiate with the states about plans to monitor toxic "hot spot" areas and develop appropriate control programs.
- o Negotiate with the states to identify nonpoint source problems and approaches to solving them.

Grant Objectives

- o Improve state water monitoring programs, scheduling of intensive surveys, and toxics data collection and analysis.
- o Improve state capability to make waste load allocations (WLAs).
- o Issue BAT permits.
- o Conduct compliance evaluations for point source permits and follow up with enforcement where appropriate.

THE DRINKING WATER PROGRAM

The Office of Drinking Water (ODW) will provide guidance and advisory information on health effects of unregulated drinking water contaminants to states and localities. It will give priority to those chemicals on the Agency's intermedia priority list (now under development) which are drinking water problems. ODW will conduct an intensive review of the Suggested No Adverse Response Levels (SNARLs) process to validate the scientific basis of the guidance, to incorporate Science Advisory Board review of SNARLs prior to issuance, and to ensure that SNARLs are in fact supportive of state and local authorities and are not of a character as to alarm public officials, operators, or users. Where the extent of occurrence and known adverse health effects warrant, we will develop maximum contaminant levels levels (MCLs) as a part of Revised Primary Drinking Water Regulations (RPDWR).

ODW will also promote compliance with existing standards which deal with the traditional contaminants of concern in drinking water. We will give higher priority to bringing small systems into compliance, since these systems are numerous, constitute the majority of noncompliance cases, and have particular financial and operating problems to overcome.

ODW is currently launching the underground injection control (UIC) program to protect underground drinking water. The Regions should promote states' assumption of primacy in the underground injection control program by working with states to prepare UIC programs and by reviewing applications from states as soon as they are received. In all nonprimacy states and on Indian lands, the Regions will implement a Federal UIC program.

ODW will also protect sole source aquifers by ensuring that projects assisted with Federal funds in designated areas do not contaminate underground drinking water. Regions will review petitions for sole source designations and will designate those aquifers as sole and/or principal sources of drinking water which, if contaminated, would pose a significant problem.

In addition, ODW will recommend ways in which EPA can better coordinate implementation of programs which can protect underground drinking water sources and will strengthen its partnership with the states which have primary responsibility for ground water protection. Specifically, ODW will encourage coordination of drinking water programs at the Regional and state levels with programs regulating hazardous waste sites (RCRA and Superfund) and with state assistance programs under whose aegis states are developing specific management plans and programs.

Headquarters and Regional Objectives and Activities

First Level Objectives

- Propose Revised Primary Drinking Water Regulations (RPDWR). (HQ)

- Promulgate MCLs for synthetic organic contaminants (such as TCE; Carbon tetrachloride; tetrachloroethylene; 1,2, Dichloroethane; 1,1,1 trichloroethane; and vinyl chloride). (HQ)

- Expand monitoring for synthetic organic contaminants in drinking water derived from ground water, especially in proximity to hazardous waste disposal facilities. (HQ/Regions)

- Issue scientifically sound health guidances for unregulated contaminants. (HQ)
- Help the states to implement the trihalomethane (THM) regulations. (Regions)
- Work with states to implement the Compliance Strategy. (Regions)
- Administer the PWS program in nonprimacy states and on Indian lands. (Regions)
- Evaluate state implementation of the PWS and UIC programs. (Regions)
- Implement a vigorous program to promote state delegation of the UIC program. (Regions)
- Implement a vigorous UIC program in nonprimacy states and on Indian Lands. (Regions)
- Review UIC primacy applications and provide assistance to oversee the activities of newly-designated primacy states. (HQ/Regions)
- Develop guidance documents to help Regions and states implement the UIC program. (HQ)
- Coordinate UIC activities with RCRA, Superfund, sole source programs. (HQ/Regions)

Second Level Objectives

- Prepare criteria for control of corrosion within distribution systems for inclusion in the RPDWR. (HQ)
- Supply advice and maintain analytic capacity for monitoring and treatment technology. Utilize this analytic capacity to generate information to support the development of regulations and standards and to conduct nationwide surveillance through a variety of special surveys of drinking water samples. (HQ)
- Develop, in cooperation with ORD, a revised laboratory certification manual to accompany the RPDWR. (HQ)
- Administer the program to regulate water supplies of Interstate Carrier Conveyance. (Regions/HQ)
- Revise the MSIS computer system to accommodate data requirements of RPDWR. (HQ)
- Implement and operate the UIC ADP system for well inventory and permit tracking. (Regions)

- Administer the sole source aquifer program; receive and review petitions for designations; review projects receiving Federal assistance for potential threats to aquifers. (Regions)

- Develop sole source aquifer regulations. (HQ)

Region-Specific Objectives and Activities

- Provide technical advice and on-site supervision of I-190 construction to protect the Wachusett Reservoir watershed. (Region I)

- Work with Pennsylvania, Indiana, South Dakota, Wyoming, Oregon, American Samoa, and the Northern Marianas to assume primacy for the PWS program. (Region III, V, VIII, IX and X) If Iowa relinquishes primacy, implement a public water system supervision program in Iowa. (Region VII)

- Provide review of and technical advice for Federally assisted projects and petitions in potential sole source aquifer areas. (Regions IV)

- Work with the states on their implementation of state enforcement strategies. (Region VII)

Objectives for State/EPA Agreements and Grant Negotiations

State/EPA Agreement (SEA) Priorities

- Public water system supervision program.

  - Monitor for synthetic organic chemicals in drinking water and coordinate with related activities to control the disposal of hazardous wastes.

  - Follow up noncompliance and implement the compliance strategy and THM regulation.

- Underground injection control.

  - Implement state-by-state strategies leading to effective delegation of the UIC program.

  - Coordinate with other programs (RCRA, Superfund) contributing to underground water supply problems. Include specific provisions which delineate Drinking Water program responsibilities in assessing ground water contamination involving or threatening drinking water sources.

Grant Priorities

The priorities in the SEA should be reflected in the grant applications. Additionally, grant funds should be used to support these high priority activities:

- Public Water Systems: (1) Assess monitoring efforts for synthetic organic chemicals in drinking water derived from ground water sources and expand where insufficient. Coordinate these activities with related programs to control the disposal of hazardous wastes. (2) Establish coordinated procedures to respond to the detection of ground water contamination emergencies. (3) Increase noncompliance follow-up activities and assist small systems to achieve compliance with the traditional drinking water contaminants: bacteria, turbidity, ten inorganic ions, six pesticides, and radiation. (4) Ensure compliance with new MCLs for THMs.

- Underground Injection Control: Permit activities including technical review, site investigations, data management, completing Class V assessments, and preparing recommendations on regulatory schemes should receive highest priority for funding.

WATER ENFORCEMENT AND PERMITTING

Continuous compliance by Publicly Owned Treatment Works that have completed construction to achieve secondary treatment or other requirements should be a high priority. In addition, municipalities on construction schedules to comply with the law should be tracked and enforcement actions should be taken to ensure compliance with schedules and interim effluent limitations. Municipal permittees that will not meet the 1983 deadline should be put on compliance schedules. Regions should adhere to the priorities outlined in the National Municipal Policy and Strategy and operate within the requirements of the Municipal Management System (MMS). The level of enforcement activity against facilities not presently on compliance schedules may be affected in part by the operational level of EPA's Construction Grants program. In implementing this guidance, our enforcement will stress environmental conditions rather than number of legal actions taken.

EPA is conducting a regulatory impact analysis of its pretreatment program in FY 1981, as requested by the Vice President's Task Force on Regulatory Relief. The Regions should provide assistance needed by states and communities in developing local programs and implement the pretreatment program as modified by the currently ongoing review.

Issuance of long-term best available technology (BAT) permits for toxic pollutant discharges will also be an important activity in FY 1982. Regions and states will issue permits based on effluent guidelines where available and, in the absence of effluent guidelines, will determine limits on a case-by-case basis using best professional judgment.

Water Quality Enforcement

Headquarters Objectives and Activities

First Level Objectives

- Take action on ongoing cases.
- Fully develop a Discharge Monitoring Reports (DMR) Quality Assurance program to improve NPDES compliance data.
- Overview the implementation of the National Municipal Policy and Strategy through the Municipal Management System (MMS).
- Initiate improvements in the Enforcement Management System (EMS).
- Provide guidance and overview for continuous compliance by major municipal facilities.

Second Level Objectives

- Provide support for maintenance of an automated DMR review using the Permit Compliance System.

Regional Objectives and Activities

First Level Objectives

- Initiate and prosecute civil actions and track consent decrees and schedules.
- Support litigation activities.
- Take action on ongoing cases.
- Implement a fully developed DMR Quality Assurance Program to improve NPDES compliance data.
- Implement the National Municipal Policy and Strategy through the Municipal Management System.
- Expand monitoring and enforcement activities for toxics, priority pollutants, and BAT.

- Maintain automated DMR review using the Permit Compliance System.
- Implement a continuous compliance program for major municipal permittees.

Second Level Objectives

- Conduct compliance inspections of major permittees.
- Conduct follow-up activities on inspections.
- Continue non-NPDES enforcement activities (§404 and §311).

NPDES Permits Issuance

Headquarters Objectives and Activities

First Level Objectives

- Coordinate NPDES permitting with RCRA and Underground Injection Control (UIC) programs.
- Coordinate the inter-media priority pollutants list with second round NPDES permitting.
- Coordinate and target BAT engineering studies as closely as possible toward abatement of inter-media priority substances.
- Manage second round BAT permit issuance and provide training to permit writers.
- Track major new source permits and implementation of the Priority Energy Project Tracking System.
- Prepare a regulatory impact analysis of the pretreatment program and take steps called for as a result of that analysis.
- Develop ways to allow states greater authority and flexibility in pretreatment decisions.

Regional Objectives and Activities

First Level Objectives

- Issue the second round of major NPDES industrial permits, with special attention to the major primary industries.
- Ensure that all second round permits take account of inter-media priority pollutants in permitted effluents.

- Issue energy-related permits, especially for offshore oil and gas operations.
- Implement the Municipal Management System.
- Promote assumption of the NPDES program by the states.
- Carry out pretreatment programs responsibilities as indicated by the results of the regulatory impact analysis currently underway.

Second Level Objectives

- Review 301(h) Marine Discharge Variance requests.
- Conduct and settle Evidentiary Hearings, including pending and new requests, where environmental gains will be the greatest.
- Propose and issue general permits.

Drinking Water Enforcement

Headquarters Objectives and Activities

First Level Objectives

- Provide guidance and overview to Regions operating UIC programs in non-primacy states.
- Develop a nationally consistent enforcement management system for the UIC programs.

Regional Objectives and Activities

First Level Objectives

- Enforce health-related Primacy Drinking Water Regulations in non-primacy states.
- Issue UIC permits in non-primacy states and Indian lands.

Second Level Objectives

- Review the enforcement portions of state applications for Underground Injection Control (UIC) program primacy.

SOLID WASTE AND EMERGENCY RESPONSE OPERATING YEAR GUIDANCE FOR FY 1982

THE SOLID WASTE PROGRAM

In FY 1982, the Office of Solid Waste will emphasize full implementation of the RCRA Subtitle C Hazardous Waste Regulations. The preliminary stages of implementation -- authorization of states' programs, the manifest system, and the interim status standards--are being initiated in FY 1981. Final state authorization and facility permitting will be the main facets of national Subtitle C implementation in FY 1982. At the same time that the Office of Solid Waste and Emergency Response (OSWER) proceeds to implement new program elements, it will carefully review program experience to date to ensure the efficacy and reasonableness of program requirements. Consistent with its legal and program responsibilities, OSWER will make whatever regulatory or administrative changes that may be necessary to minimize regulatory cost, management overhead, reporting requirements, and time lapse in processing permit actions.

The Regions should assist the states in developing programs which will qualify for interim authorization phases. Where states are ineligible for any phase of interim authorization, the Regions will enter into Cooperative Arrangements to effectively operate the Federal program with maximum delegation. Where this alternative mechanism is used, states will implement elements of the RCRA program on EPA's behalf, commit to a schedule for obtaining authorization, and remain eligible for Federal assistance. Non-authorized states that do not enter into Cooperative Arrangements will not be eligible to receive hazardous waste grants. Funds allocated to states but which cannot be awarded will be reprogrammed for operation of the Federal program in the states by contractors.

Regions will implement their quality assurance plans in FY 1982 and ensure that states provide for quality assurance for hazardous waste testing, sampling, and analytical activities, whether performed in public or contracted laboratories. OSWER will take steps to ensure the scientific validity and appropriateness of required monitoring of hazardous wastes and their proximate environment.

In FY 1982 Headquarters will take over from the Regions primary responsibility for management of the close-out of the 61 Resource Recovery Cooperative Agreements.

Headquarters and Regional Objectives and Activities

First Level Objectives

- Review the hazardous waste regulatory program, as requested by the Vice President's Task Force on Regulatory Relief, focusing on ways to improve accountability with reduced regulatory and information collection burdens. (HQ)

- o Maximize the number of states receiving authorization as early as possible by helping states develop qualified hazardous waste programs under Subtitle C. (Regions)
  - Negotiate interim authorization phases according to the regulatory schedule and national implementation guidance. (HQ)
- o Negotiate and enter into Cooperative Arrangements with those states not qualifying for Interim Authorization. (Regions)
  - Assist states in preparing development plans for authorization.
  - Administer non-delegable elements of the Federal hazardous waste program.
  - Work with states to ensure compliance with Cooperative Arrangement provisions.
- o Develop technical conditions for interim land disposal facility permits and, in states without appropriate phases of interim authorization, for incineration, treatment, and storage permits. These should be in line with Regional strategy for issuing priority permits, considering proper control for Agency-designated priority toxic chemicals, Regional capacity, and the states' siting programs and promoting consistency of state permitting procedures with Federal requirements. (Regions)
- o Make expert teams available for initial development of significant permits. (HQ)
- o Develop a uniform manifest form for all states and a means for its implementation. (HQ/Regions)
- o Operate the Federal manifest system in non-authorized states. (Regions)
  - Provide technical assistance on requirements to states and to generators, transporters, and owners/operators of treatment, storage, and disposal facilities.
  - Review exception and discrepancy reports.

Second Level Objectives

- o Implement Quality Assurance Program and Project Plans submitted in FY 1981. (Regions)

- Manage any remaining Technical Assistance Panels contractor capabilities carrying over from FY 1981, with emphasis on assistance in hazardous waste management. (Regions)

Region-Specific Objectives and Activities

- Help the 26 Indian reservations come into compliance with RCRA (Region VIII).

Objectives for State/EPA Agreements and Grant Negotiations

State/EPA Agreement Objectives

- Implement EPA-authorized state hazardous waste programs. Emphasize operation of a manifest system and adherence to national permit priorities.

- Ensure that states without interim authorization support the Federal program through Cooperative Arrangements and concentrate developmental activities on refining statutory authority, providing increased resources, expanding compliance and enforcement activities, and providing appropriate permit mechanisms.

- Implement EPA-approved state Solid Waste Plans with emphasis on the development of compliance schedules and enforcement against open dumps, implementation of codisposal and resource recovery strategies, and facilities planning.

Grant Objectives

Commitments in State/EPA Agreements should be supported in grant applications and awards. Additionally, Hazardous Waste grant funds should be used as follows:

- To assist states with interim authorization to operate effective interim authorized programs and work toward full authorization.

- To assist states that do not receive interim authorization in FY 1982 to contribute the full amount of program assistance that is legally and financially possible while also working with EPA to effectively implement the Federal program.

- To support planning and siting programs for hazardous waste facilities.

THE EMERGENCY AND REMEDIAL RESPONSE PROGRAM (SUPERFUND)

In FY 1982, the Agency will expand its emergency response and remedial action programs in conformance with the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, commonly referred to as Superfund. This legislation charges EPA with responsibility for dealing effectively with emergencies involving releases to all environmental media, remedial actions at uncontrolled hazardous waste sites, environmental damage assessments, and restoration of natural resources. Regions and states will share major roles in the implementation of this program, with short- and long-term success of depending to a large extent on state participation in the program. As in its other program areas, OSWER will examine Superfund requirements to ensure they exact the lowest cost to the public commensurate with the needs of environmental preservation and cleanup.

The highest priority activity of the Superfund program will be containment and clean-up of the most serious hazardous waste emergencies. Superfund expands the earlier emergency program by authorizing response to releases of hazardous substances to ground and surface waters, air, and land, as well as navigable waters. This includes not only "classical" spills such as train derailments or truck accidents, but also releases from uncontrolled hazardous waste sites where an emergency situation exists. The oil spill response and prevention programs will be carried out by private contractors under state or EPA programs in accord with the mandate in Section 311 of the Clean Water Act.

Remedial activity during the first year and a half of the Superfund program will emphasize identifying the uncontrolled sites that pose the greatest risk to public health and the environment. In-depth investigation and engineering design work that must preceed an actual remedial action will be started at 70 to 80 sites. For those sites where planning has already been completed or is under way, the on-site clean-up work will begin during the next eighteen months. Otherwise it will be 1983 before any large number of sites are ready for remedial action.

Headquarters Objectives and Activities

First Level Objectives

- Evaluate the current emergency response strategy and make necessary program changes and improvements.

- Provide technical assistance to field operations through the emergency response team.

- Develop specifications and guidelines for cooperative agreements with states.
- Develop and conduct training programs in safety and investigative techniques for field personnel.
- Award and manage contracts for emergency response and site management.
- Complete and/or refine regulations, strategies, and systems which are required to implement Superfund -- specifically, management information systems, fund administration strategies, and improved field guidance for site response.
- Develop protocols for environmental damage assessments with assistance from the Office of Research and Development and private contractors.

Regional Objectives and Activities

First Level Objectives

- Develop cooperative agreements which give states primary responsibility for designated removal and remedial functions or actions.
- Arrange to provide on-scene response as needed to all serious spills of oil and hazardous substances.
- Arrange to provide emergency assistance and remedial action at the most critical uncontrolled hazardous waste sites.
- Help states develop site inventories and systems for determining priorities for remedial action.
- Strengthen investigative support of enforcement actions at hazardous waste sites.

Second Level Objectives

- Monitor responsible and third party clean-up of oil and hazardous spills.
- Help states upgrade their removal and remedial capabilities.

- Process notifications of the existence of hazardous waste sites in conformance with Section 103(c) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund).

- Coordinate efforts of other Federal, state, and local agencies in environmental damage assessments and restoration of natural resources.

- Update Regional Contingency Plans to conform with the revised National Contingency Plan.

HAZARDOUS WASTE ENFORCEMENT AND PERMITTING

In late FY 1980 the scope of the enforcement program was expanded by enactment of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (Superfund), and amendments to the Resource Conservation and Recovery Act. Implementation of this legislation through the development of clear and consistent policies and operating practices at both Headquarters and Regional levels will be a high priority during 1981.

During 1982, Headquarters and Regional Offices will streamline and standardize the initiation and management of enforcement activities and judicial actions involving hazardous waste problems. In addition, throughout FY 1982, Headquarters and Regional Offices will provide case-specific assistance to states and assist in development of state programs, including legislative initiatives, as requested.

An intensive permitting effort for hazardous waste management facilities is essential in FY 1982. It will be supported by additional resources in the FY 1982 budget. Existing hazardous waste management facilities will be subject to compliance monitoring, inspection, sampling, and enforcement under the interim status standards. Priorities for processing RCRA permits will be: 1) applications for new facilities and for potentially dangerous facilities; and 2) applications for existing facilities with potential for permit consolidation or which employ innovative or model processes or techniques. In certain Regions a further ordering of applications for new facilities will be necessary. Depending upon Regional capacity and the number of new facility applications, it may be necessary to process permits for off-site facilities first. All hazardous waste permit efforts will be top priority tasks during FY 1982. Implementation of the permit program will take place according to the draft hazardous permit priorities guidance issued during FY 1981 and other permit guidance. OSWER will take steps to issue permits as simply, economically and quickly as the law allows.

Hazardous Waste Enforcement

Headquarters Objectives and Activities

First Level Objectives

- Provide legal and technical support for enforcement actions in situations involving substantial threats to health or the environment.
- Develop and evaluate improved information procedures and enforcement techniques and train legal and investigative staff.
- Develop guidance and evaluate enforcement of Subtitle C of RCRA.
- Conduct investigations of suspected criminal activities.
- Coordinate transportation-related requirements with the Department of Transportation.

Regional Objectives and Activities

First Level Objectives

- Provide assistance to states working toward final authorization and review state plan submissions.
- Conduct investigations of suspected criminal activities.
- Ensure compliance with interim status standards.
- Ensure compliance with permit requirements and conditions.
- Ensure that all hazardous waste generators, transporters, and disposers have notified EPA of their status and are properly complying with Section 3002 requirements.
- Initiate and prosecute appropriate civil actions.

Hazardous Waste Permit Issuance

Headquarters Objectives and Activities

First Level Objectives

- Provide national guidance and coordinate Regional permitting procedures.
- Provide strategy to ensure that newly permitted waste sites adhere to permit conditions.

Regional Objectives and Activities

First Level Objectives

- Issue on- and off-site hazardous waste management permits to the following types of facilities: new facilities, potentially dangerous existing facilities, existing facilities employing innovative or model processes or techniques.

- Encourage development of adequate state Hazardous Waste Management programs.

Uncontrolled Hazardous Waste Sites Enforcement

Headquarters Objectives and Activities

- Develop and issue enforcement guidance to implement and integrate hazardous waste enforcement authorities.

- Provide assistance to state enforcement activities.

- Participate in joint development of "Regionally-managed" cases with Regions and the Department of Justice.

- Prepare and prosecute "Nationally Managed Cases."

- Provide specialized investigatory assistance.

- Continue to update and implement protocols for non-standard samples and provide high-hazard lab capability.

- Participate in Agency regulation and guidance development processes related to hazardous waste control.

Regional Objectives and Activities

First Level Objective

- Respond to imminent hazard situations.

- Provide assistance to state enforcement activities.

- Provide technical and legal support to ongoing litigation.

- Participate in hazardous incident assessment committees, assessment process management, on-site investigations, and evidence gathering.

- Initiate and prosecute appropriate civil actions.

PESTICIDES AND TOXIC SUBSTANCES OPERATING YEAR GUIDANCE FOR FY 1982

The Office of Pesticides and Toxic Substances (OPTS) will have regulatory and enforcement responsibilities for the implementation of the Toxic Substances Control Act (TSCA); the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA); and portions of the Federal Food, Drug, and Cosmetic Act (FFDCA). OPTS will place increased emphasis on exploring non-regulatory solutions to health and environmental problems, identification of and concentration of resources in critical problem areas, review of existing regulations for possible efficiencies and regulatory reforms, and effective intra- and interagency integration of its activities. In addition, OPTS will co-chair the development of the Toxic Integration strategy in conjunction with the Office of Policy and Resource Management. This policy is targeted to be on-stream in early FY 1982.

Other key concerns of OPTS will be to reduce the backlog of actions and petitions, to examine procedures for streamlining permitting, and to work toward regulatory relief which will not dilute protection of health and the environment.

The remainder of this guidance deals with specific program areas.

EFFORTS UNDER TSCA

TOXICS INTEGRATION PROGRAM

The Office of Toxics Integration (OTI) has functional responsibility in four areas:

- Coordinating with the Toxics Integration Project in managing the development of an Agency-wide toxics strategy;
- Providing leadership in integrating current actions related to toxic substances throughout the Agency, including chairing and staffing the Toxic Substances Priorities Committee (TSPC);
- Representing EPA with international organizations dealing with chemical control;
- Administering the interagency Chemical Substances Information Network (CSIN); and
- Representing the Agency on the Interagency Regulatory Liaison Group (IRLG).

Headquarters Objectives and Activities

First Level Objectives

- In conjunction with EPA's Office of Policy and Resource Management, develop and begin implementing an Agencywide strategy for integration of toxic substances activities.

- Encourage state and local agencies to control local/ Regional toxic chemical problems. Provide guidance, backup and foster consistency in approaches.

- Work closely with other agencies through the Interagency Regulatory Liaison Group (IRLG) and other mechanisms to foster interagency coordination of efforts to assess health risks related to toxic chemicals and to promote use of the most efficient ways of responding to such risks.

- Make the Chemical Substances Information Network (CSIN) available to more users, including public, state and local, Federal, and industry users, and improve data systems available to them. In addition, develop a system of user charges to make CSIN self-supporting as far as possible. Explore integration with and accessibility from existing commercial and Federal data bases.

- Work to ensure international approaches to toxic chemicals are more consistent and based on sound scientific data. Make resources available for shared testing and risk assessment and for exchanges of scientific and technical information.

Second Level Objectives

- Participate in technical discussions with the European Community and individual countries to encourage consistent implementation of legislation affecting chemicals.

- Work toward reaching an international consensus on how to implement and enforce principles of Good Laboratory Practices (GLP).

THE TOXIC SUBSTANCES PROGRAM

Under TSCA, the Office of Toxic Substances (OTS) develops and operates several programs to induce the chemical industry to evaluate and control human health and environmental risks presented by commercial chemicals. Chemical manufacturers and processors can be required to test chemical substances and mixtures, to notify EPA of their intent to manufacture

new chemicals or existing chemicals for significant new uses, and to maintain records and report information. EPA can initiate regulatory action to restrict or prohibit the commercial activities involving new or existing chemicals. The Agency will work out arrangements under which chemical companies undertake testing and other TSCA-related activities voluntarily. OTS will continue to seek non-regulatory alternatives and approaches to regulation development which fulfill the objectives of TSCA without imposing undue burdens on the regulated industries.

There will be no Regional Office Toxics Management activities in FY 1982. As a result, the Office of Toxic Substances will seek and rely on alternative ways to carry out activities related to asbestos in schools. Public, industry, and other requests for information should be directed to the national toll-free telephone line.

Headquarters Objectives and Activities

First Level Objectives

- Fully operate the key elements of the new chemical review program and streamline the review process as much as possible. OTS expects to receive notifications on at least 800 new chemicals. To the extent possible, Section 5(h)(4) exemptions will be used to reduce burdens on the chemical industry and EPA, and significant new use rules will be used to promote evaluation of potential health and environmental impacts. Review existing regulations and procedures for effectiveness and need.

- Meet or exceed the court-approved schedule for deciding upon the need for industry to test priority chemicals selected by the Interagency Testing Committee.

- Meet or exceed the court-approved schedule for new rulemaking on the use of polychlorinated biphenyls (PCBs) in electrical equipment and on the concentration cut-off for the PCB regulations.

- Improve OTS' ability to review the impacts of TSCA implementation on the economy and on innovation in the chemical industry.

- Develop and promulgate, where practicable and permitted by statute, environmental and health test standards consistent with IRLG and OECD guidelines.

- Where possible, perform multi-media hazard and exposure evaluations and risk assessments.

Second Level Objectives

- o Promulgate a rule covering exemptions from the ban on nonessential aerosol uses of chlorofluorocarbons.
- o Operate the program to address hazardous exposure to asbestos in school buildings.
- o Develop procedures to encourage the private, voluntary allocation of the costs of conducting tests among the manufacturers and processors of chemicals for which testing is required.
- o Evaluate the need to control human and environmental exposure to chemicals not dealt with as first level objectives.
- o Implement procedures within EPA, in conjunction with the Toxics Integration Program, for sharing information received via new chemical notifications, substantial risk notifications and other TSCA sources.

TOXICS ENFORCEMENT

The enforcement function will support the Agency's effort to develop an integrated toxic pollutant strategy and will attempt to take a cross-media approach to toxics enforcement whenever possible. In addition, toxics enforcement will be concerned with the enforcement of existing TSCA Section 6 chemical control regulations and other toxic chemicals which will be regulated under Section 6. Regional support of such new enforcement programs must be timely and effective.

Headquarters Objectives and Activities

First Level Objectives

- o Fully support the integrated toxics strategy.
- o Provide legal and technical support to Regions in case development and prosecution.
- o Coordinate toxics integration strategies with the consolidated permit program.
- o Conduct compliance monitoring and enforcement activities in support of Section 4 (laboratory data audits which will involve Regional Office personnel), 5, 5(e), 5(f), and 6 (inspections of CFC manufacturers).
- o Develop, implement, and monitor enforcement grants-in-aid with six states.

Regional Objectives and Activities

First Level Objectives

- Conduct a compliance monitoring and enforcement program under Sections 4, 5, 6, 8, and 13 with particular emphasis on Section 4, ecological effects good-laboratory-practices inspections; Section 5, premanufacturing notice inspections; and Section 6, PCB and asbestos-in-schools inspections.

- Assist in development, implementation, and oversight of state cooperative enforcement grants-in-aid.

- Consider reorganizing to ensure that the functions and resources of both Toxics Substances and Pesticides Enforcement are integrated into a single unit.

- Initiate and prosecute appropriate civil actions.

ACTIVITIES UNDER FIFRA AND FFDCA

THE PESTICIDES PROGRAM

The Office of Pesticide Programs (OPP) will carry out its responsibility under FIFRA and FFDCA for controlling use of pesticides, with the objective of controlling of agricultural and other pests without causing unreasonable adverse effects on human health or the environment or impose unnecessary costs or delays on the pesticides industry. OPP's major activities in FY 1982 will include:

- Granting registrations to permit the use of new pesticides or products similar to others already registered.

- Granting special registrations to permit nonregistered use of pesticides in emergencies and other special situations.

- Under the FFDCA, establishing pesticide residue tolerances to permit the use of pesticides on specific food and feed commodities.

- Classifying pesticide products for general or restricted use.

- Undertaking risk-benefit analyses of pesticides which pose risks that trigger a Rebuttable Presumption Against Registration (RPAR).

- Developing Registration Standards to facilitate the registration process and to identify gaps in available health and safety data.

- Filling data gaps identified in the registration standards process.

- Promoting safe and effective use of pesticides in conjunction with other pest control techniques.

OPP will work more directly with state and local agencies and other groups to help them: respond to public health and safety problems, including pesticide spills and fires; develop and carry on Integrated Pest Management (IPM) programs; and prepare registration applications and requests for emergency exemptions.

All pesticide abatement and control functions in EPA's Regional Offices will be transferred to OPP by the end of FY 1982.

Headquarters and Regional Objectives and Activities

First Level Objectives

- Revise regulations for registration and reregistration of pesticides to reflect FIFRA amendments and procedural improvements, including the Registration Standards program.

- Carry out the conditional registration program and process new registration applications more efficiently. High priority will be given to taking action on existing petitions.

- Improve response time on requests for emergency exemptions and experimental use permits in order to make decisions in advance of timetables for requested uses.

- Review benefits and risks of RPAR chemicals, reach final risk/benefit determinations, and restrict or eliminate some or all uses of reviewed chemicals where necessary.

- Prepare pesticide registration standards, including reassessments of tolerances. Also modify the registration standard process to improve productivity and monitor the results.

- In the RPAR and Registration Standards activities, develop consistent regulatory positions on chemicals having the same major uses.

- Complete the FIFRA guidelines for development of data needed for pesticide registration and operate a data call-in program to obtain health and safety data needed for future development of Registration Standards.

- Where necessary, perform multi-media hazard and exposure evaluations and risk assessments. Pollutants and other substances designated as inter-media priorities will be considered where appropriate.

- Promote safe handling of pesticides through the Label Improvement Program and completion of a farm safety program involving government, growers, and producers.

Second Level Objectives

- Consider the use of Integrated Pest Management (IPM) technology in making decisions on regulatory actions (e.g., emergency exemptions, registrations, RPARs) when technically appropriate.

- Identify requirements for monitoring pesticide residues in order to predict hazards, assess the significance of potential problems, and develop exposure assessment models for predictive purposes. Improve the scientific validity of pesticide monitoring data.

- In conjunction with the Food and Drug Administration and EPA's Office of Enforcement, administer the laboratory audit program to check on the validity of scientific data submitted in support of registration applications.

PESTICIDES ENFORCEMENT

The Regions and states should jointly define specific priority use problems tailored to the needs of each state and specific enforcement programs to deal with each priority problem area. These programs should be incorporated in state grant agreements and supported by state and Federal resources. Headquarters will provide national use priorities for consideration by the Regions and states in their priority-setting exercises.

Headquarters Objectives and Activities

First Level Objectives

- Provide legal and technical support to Regions in case development, prosecution, and settlement.
- Conduct and improve Regional capability to conduct laboratory data investigations, providing full technical support for chemical residue and drift analyses.
- Overview Regional pesticides enforcement and certification and training programs.
- Manage, oversee, and evaluate the state Grants Program.

Regional Objectives and Activities

First Level Objectives

- Establish and maintain enforcement grants-in-aid with states, territories, and Indian tribes, emphasizing pesticides use enforcement activities.
- Establish and maintain certification and training programs with states and territories.
- Initiate and prosecute appropriate civil actions.

Region-Specific Objectives and Activities

- Work closely with Nebraska and Colorado to develop and implement EPA-approved plans for the training and certification of pesticide applicators. (Regions VII and VIII)
- Regions with non-participating states should expend every effort to includes those states in the enforcement grant program. At present, those states include Alabama, Georgia, South Carolina, Ohio, Nebraska, Colorado, Wyoming, and Alaska.

RESEARCH AND DEVELOPMENT
OPERATING YEAR GUIDANCE FOR FY 1982

Three major objectives will to be of primary importance in the Office of Research and Development (ORD) as we proceed to FY 1982. These are: (1) integrating research and development into the mainstream of EPA's regulatory and enforcement activities; (2) enhancing ORD's capability to provide the information needed for the Agency's future planning and decision making; and (3) improving the quality of the scientific and technical information that ORD provides to the Agency.

The remainder of this statement describes what action will be needed in FY 1982 to meet the objectives.

INTEGRATING ORD PLANNING INTO THE MAINSTREAM OF THE AGENCY

EPA has a joint research planning system in which committees composed of research staff and representatives from Headquarters and Regional Offices regularly participate in planning research to be performed by ORD. The Research Committee system is an essential Agencywide tool for integrating research into regulatory and enforcement activities. Committee members are directly involved in formulating ORD plans and reviewing research in progress. In FY 1982, the Committees should refine their respective programs and build on this year's progress for developing the FY 1983 program. All offices involved with the Committees should participate to the maximum extent possible. Likewise, the Research Committees will assist the rest of the Agency in re-examining current approaches to protecting public health and the environment in the most cost-effective, reasonable way. Regional participation in the planning process is especially important and should be incorporated into the Regional budget and work planning process to provide manpower and travel resources to support Regional representation on Research Committees.

ORD's budget structure has been realigned for FY 1982 to correspond to research committee subject areas. As a result, each Committee can now see clearly how much is being invested in a particular topic of research and can determine the relative priority of specific areas of inquiry within the total program. It remains top priority for each Committee to define its research needs and priorities such that they can be incorporated into budget year planning.

The Committees' attention should move increasingly toward reviewing ongoing research and evaluating the responsiveness of recently completed research. This task should be greatly aided by the fact that planning, budgeting, and reporting systems are now aligned along Research Committee lines. Of particular use will be a milestone tracking system which will keep Committee members informed as to when important research outputs will be delivered.

ENHANCING ORD's CAPABILITY TO ASSIST FUTURE AGENCY PLANNING AND DECISION-MAKING

ORD has an obligation to anticipate future problems which may jeopardize environmental quality and to provide the scientific and technical information needed to formulate future policies. To this end, the Office of Exploratory Research (OER) in ORD should add a dimension of stability and continuity to EPA's long-term research program. This will be done through academic "centers of excellence" and a group to conduct strategic analyses and special studies.

By FY 1982 approximately 15 percent of ORD's extramural funding will be awarded through the centralized competitive grant program. At least 7 centers of excellence should be operational by FY 1982, providing long term support to the Agency. Strategic analyses and special studies should provide EPA with an improved understanding of likely future scenarios and their environmental implications. This will be done through publication of the Environmental Outlook, sponsorship of innovative research opportunities for EPA scientists, "mini-assessments" of potential future problems, and integrated studies of specific regions or economic sectors.

Links between OER and the Research Committees must be strengthened during FY 1982. Greater involvement of OER staff with Research Committees will provide substantial benefits in that: 1) grants awarded through the competitive program can reflect the broad needs of the Committees; and 2) the Committees can be better attuned to the projected long-range issues and problems that they may face in the future.

IMPROVING THE QUALITY OF INFORMATION

Improving the quality of scientific and technical information that ORD provides is extremely important for FY 1982. Three major approaches will be used in support of this objective:

- Rigorous peer review of all phases of research and development conducted by ORD.
- Evaluation, application, and adjustment of quality assurance procedures published during FY 1980 and FY 1981.
- Implementation of ORD's technical information policy, which streamlines the dissemination of research results.

Peer review plans will ensure that EPA research meets the highest standards of scientific quality, objectivity, and credibility. Prescribed reviews will include:

- Extensive review and rating by outside experts of all grant proposals administered through the centralized competitive grant program.

- The review of all research results for publication in scientific and technical journals. Research results not published in the refereed professional literature will be peer reviewed in accordance with ORD's technical information policy.

- Extensive use of the Agency's Science Advisory Board in reviewing health and environmental criteria documents on which Agency regulations are based.

- Ensuring that unnecessary overlap and duplication does not occur. In the area of mobile source air pollution control, there should be close coordination with the Health Effects Institute. The Research Program should identify studies which can best be designed and conducted by the Institute.

ORD has responsibility for determining quality assurance requirements for not only its own environmental measurements but also those made by program and Regional Offices. ORD must assist the Agency in improving monitoring efforts to establish more statistically representative and scientifically valid measurements of environmental quality. In FY 1982 three activities related to quality assurance will receive priority attention. First, ORD will provide training, technical support, and performance audits. Second, ORD will conduct overview audits and evaluate the quality assurance activities the program and Regional Offices are already conducting to see if any adjustments are needed. Third, ORD will develop national performance standards and data acceptability criteria for use by all EPA laboratories, grantees, and contractors.

ORD will also implement a formal policy designed to improve the transfer of technical information from ORD to interested users. Designed to streamline information transfer, the policy contains the following major highlights:

- All project reports will be available from the National Technical Information Service (NTIS).

- All project reports are now summarized in abstracts containing the key findings of subject reports. This abstract is printed and distributed by ORD.

- A technical information plan is produced annually by each ORD organizational unit. This plan identifies expected technical information products to be produced by ORD research during the year and contains estimates of when the products will be available.

POLICY AND RESOURCE MANAGEMENT
OPERATING YEAR GUIDANCE FOR FY 1982

EPA must develop alternative, more effective, and less burdensome ways of controlling pollution. To do so, we must find more effective, equitable, and economical ways of solving environmental and management problems.

Now and in FY 1982 we must concentrate our efforts on strengthening our ability to provide first-rate policy and economic analyses to the Agency's top managers; on coordinating diverse program activities to achieve common goals; on developing innovative new approaches to pollution control; on posing and resolving tough budget issues; on helping review, prepare, and improve regulations; and on conducting program evaluations and working with other offices and the states to make their programs more effective.

At the same time, we must develop and implement a successful strategy for working more effectively with state and local agencies, business organizations, and public interest groups.

The following are our Headquarters and Regional objectives for meeting these broad goals.

Headquarters Objectives and Activities

First Level Objectives

- The Office of Policy and Resource Management (OPRM) must help the Agency comply with the analytic and procedural requirements of Executive Order 12291 on Federal Regulation, the Regulatory Flexibility Act, and the Paperwork Reduction Act.

  Under Executive Order 12291, EPA must set up procedures for OMB review of regulations. OPRM will revise the existing approach to developing new rules and reviewing old ones to incorporate the requirements of the new Order. OPRM is now developing guidance for performing the cost and benefit analyses for new or revised regulations.

  Under the Regulatory Flexibility Act, EPA must develop guidelines for defining "small entity" and for analyzing the impacts of our regulations on small entities (including small businesses, small governments, and small organizations). It must establish procedures for implementing the Act in regulatory development. It is developing a plan for the periodic review of all regulations that have a significant economic impact on a substantial number of small entities. Under the Paperwork Reduction Act,

EPA must develop procedures for producing an annual Information Collection Budget (ICB). It is also developing guidance for determining the cost of information collection to the regulated population.

- The Office of Policy and Resource Management, working with the program offices, will develop better methods of regulatory decision-making. This objective is critical for EPA, and particularly for OPRM in FY 1981 and FY 1982, as the further reduction of pollution becomes more expensive. In addition to finding new approaches to pollution control, we will also strengthen the Agency's ability to assess what costs our regulations impose on industries and what the benefits of those regulations are.

  - OPRM will develop an approach to cost-effectiveness analysis for major classes of regulation and help the Agency implement this approach appropriately in future regulatory decision-making.

  - OPRM will help program offices demonstrate and quantify the benefits of a limited number of major regulations. This experience should help OPRM write regulations which are more defensible and which it can "target" more closely on the most severe problems.

- EPA needs to increase emphasis on market- and incentive-based approaches to regulation such as the bubble policy.

  These approaches will create economic incentives to find the lowest cost means of reducing pollution. They are important as a way to encourage economic development, to increase the rate of innovation in pollution reduction technology, to eliminate overhead, and to reduce the cost of pollution control. To encourage more industries and communities to take advantage of these new approaches, OPRM staff, working with the appropriate Headquarters and Regional program offices and state and local agencies, should:

  - Work to provide the technical assistance and resources to help states and localities incorporate regulatory reforms into their on-going programs and ensure that short-term costs associated with converting to these approaches do not discourage adoption and vigorous use of these reforms. This should include their use of in the 1982 SIPs.

- Design and implement programs to build the infrastructure needed to make regulatory reform work on a broad-scale, efficient basis. OPRM will encourage the development of flexible "model" policies or rules that states and localities can easily adopt and administer if they wish and other actions to help states and localities act as laboratories for needed experimentation in this expanding field in FY 1982. OPRM will also assist OANR in its efforts to implement innovative regulatory reforms after their adoption.

- Work with the Regions to help make sure these approaches are equally available in all parts of the country.

- Work with other EPA offices and with state and local agencies to develop and begin to implement other market-based incentives.

o OPRM's legislative development efforts will focus on developing simple, effective legislative revisions where needed to improve the effectiveness of EPA's programs or balance national environmental and economic objectives. Among the major concerns in FY 1982 will be reauthorization of the Clean Water Act to the extent not completed in FY 1981.

o The Office of Policy and Resource Management will take a lead role in diagnosing substantive program integration problems and will work with program offices, other Federal agencies, and state and local agencies to develop solutions. Areas OPRM will concentrate on include:

- Assisting in the development of an integrated toxics strategy. OPRM will work closely with OPTS in leading the Toxics Integration Committee that is developing strategies for coordinating all programs' toxic-related activities. The Committee will set interprogram priorities on regulating individual chemicals and groups of chemicals -- an action that will affect all aspects of planning, research, information collection, and regulatory and enforcement actions. It will also develop other approaches to integrating toxics activities, including trying industry-based or geographic approaches to regulation and control of toxic pollutants.

- Supporting the Agency's efforts to design and implement new programs such as Superfund in order to ensure that the requirements for new programs are coordinated with one another and with existing programs in as logical and practical a way as possible.

o The Office of Policy and Resource Management will contribute to the development of clean energy policies by encouraging the development of economically sound and environmentally benign options and by pressing to ensure reasonable environmental control of all energy sources.

- OPRM must give close management attention to permitting energy projects. We will work to streamline and closely manage permitting associated with getting energy facilities on line.

- It will work closely with the Administration and the Department of Energy to ensure that the nation's commitment to increased coal use is met without undue risk to environmental quality. The Agency has an important role to play in encouraging public acceptance of use of coal by showing that it can be burned cleanly.

- It will work closely with DOE and industry to encourage the development and marketing of clean alternative fuels. Higher prices of imported oil combined with deregulation of prices for other energy sources have stimulated development of fuels such as heavy oil and tight sands gas, both of which offer attractive alternatives to imported oil. These circumstances provide us with an excellent opportunity to encourage increased production of relatively clean fuels and in this way to act not just as a regulator but also as a proponent of clean energy alternatives.

- It will develop an integrated plan for the regulation of synthetic fuels to reduce delays and uncertainty surrounding development of these new technologies while protecting the environment. Rapidly emerging synfuel technologies will strain research, regulatory, and permitting capacity. As co-chair of the Agency-wide Alternate Fuels Group, OPRM will work with ORD and the program offices to develop multi-media guidance for permit officials and industrial designers in 1981 and 1982 and prepare to propose coordinated standards for the different technologies in 1983-1987.

o The Office of Policy and Resource Management will implement a streamlined, responsive budget development process. Revisions to the budget development process will be implemented to reduce inefficient use of paper and staff time

and make the budget more responsive to top management priorities by incorporating more front-end guidance from the Administrator and less cumbersome documentation requirements and decision-making procedures.

- o OPRM will strengthen its program evaluation effort and stimulate and lead an expanded evaluation effort in the programs, the Regions, and the states. We must conduct systematic reviews of each Agency program, evaluate our present approaches to solving environmental and management problems, and assess whether Federal, state, and local roles are properly apportioned. Such evaluation will provide EPA and state and local agencies with the information needed to make the modifications to their programs that are necessary to increase their effectiveness and drop unwarranted activities.

- o OPRM will help to strengthen the Agency's partnership with the states.

  - OPRM will work with Headquarters offices, the Regional offices, and the states to strengthen the use of State/EPA Agreements as a top management tool for the Regional Administrators and key state officials during FY 1982. It will particularly work to improve the agreements so that they are truly bilateral agreements that benefit both the states and EPA and reflect the strengthened partnership that we anticipate.

  - OPRM will work with other Headquarters offices, Regional offices, and state and local agencies to evaluate how effectively programs are delegated and to develop improved methods and tools which enable EPA to better delegate programs and the states to operate them.

- o OPRM will support Regional Management Analytic Centers (RMACs). It will work with RMACs to develop inter-regional projects which most effectively address Regional, state and local problems. OPRM will encourage interaction between RMACs and interested offices throughout the Agency and make the results of analyses performed by RMACs available to interested program offices.

Second Level Objectives

- o OPRM will emphasize decentralized responsibility to the Regions and states for decisions associated with regulatory reforms. It will encourage development of more "generic" approaches to controlled trading which will eliminate the

need for EPA approval of each transaction. It will also give states and Regions more direct responsibility for and opportunities to implement regulatory reforms.

- OPRM will identify ways the Agency and the states can use environmental resources more effectively. Many government-funded programs, environmental programs among them, are facing serious challenges. Inflation has significantly reduced the purchasing power of grant dollars, and many states have introduced Proposition 13-type legislation that has reduced their ability to match Federal grant dollars. At the same time, EPA's responsibilities, especially those with respect to TSCA, RCRA, and CAA and CWA amendments, have increased dramatically. It appears that this trend will continue. This situation is a grave concern, both to the states -- who are finding themselves unable to support existing programs, much less to assume responsibility for new programs -- and to EPA. We must all work together now and through FY 1982 to develop ways to use EPA's existing direct operations and state grant funds as effectively as possible, to document the areas in environmental programs that are being most impacted by inflation, and to determine how best to help states take on new responsibilities in the future.

- OPRM will develop a much improved strategic planning capacity. The Agency must increase its capability to anticipate problems and do a better job of advance planning. In FY 1981 and 1982 OPRM will examine alternative approaches to managing our planning and budgeting processes so that it can better link resource investments with environmental objectives. In addition, it will try to improve the data available to the Agency for planning by working with Regional Offices to improve the indicators available for determining the ambient status of the environment.

Regional Objectives and Activities

First Level Objectives

- Take the lead in pressing the wide-spread adoption and implementation of regulatory reforms such as controlled trading if we are to realize their full benefits. Specific top priority actions include:

  - Commitment of staff to work with states, industry, and environmental groups in developing innovative, cost-saving and environmentally sound alternatives to our existing regulatory programs. One of the first areas the Regions should concentrate on is providing fast review of proposed Air State Implementation Plan (SIP) changes that incorporate these reforms.

- Development of an effective technical assistance program that supports state efforts to design and implement controlled trading initiatives.

- Commitment of adequate funds to the states as appropriate through Section 105 or other grants that can be used in developing and implementing controlled trading initiatives at the state or local level.

- Work with industry to develop approaches to expand the benefits of controlled trading.

o Concentrate on implementing procedures to expedite permitting for energy facilities as well as other permitting reforms. It is critical that environmental requirements for such facilities are properly met without unnecessarily delaying start-up of those facilities.

o Work with Headquarters to improve data collection and analysis activities, particularly the materials developed for environmental profiles. Accurate, useful data are essential to planning and policy-making and to determining the effectiveness of program strategies. EPA must give increased attention to improving the validity of its data and to presenting it in a way that conveys information easily.

o Emphasize development of State/EPA Agreements that focus on major environmental and management issues of concern to them and the states and that are truly bilateral agreements that benefit both EPA and the states.

o Develop and support the Regional Management Analytic Centers.

- Regional Administrators should place priority on first-rate staffing.

- The Centers must increase the communications they have with one another and work closely, or even jointly, on those projects of interest to more than one.

Second Level Objectives

o Work with Headquarters to assess how direct operating resources can be used more effectively and to help states to use their grant funds. Regional staff are in a particularly good position to determine whether and how program resources are contributing to achievement of environmental objectives and how they could be more effective.

- Play a more active, critical role in helping develop new regulations and evaluate and improve existing regulations and policy. Input from Regional staff during the development and review of regulations is important to any success the Agency has in improving regulations and the regulatory process, since Regional staff are the people with front-line, practical experience in what it takes to implement a program. Regions and states can better assess the practical implications proposed rules will have -- whether they are reasonable, can be implemented, and can be understood by the people who will be responsible for carrying them out.

OBJECTIVES FOR STATE/EPA AGREEMENTS AND GRANT NEGOTIATIONS

- Controlled Trading. Expand efforts to creatively reduce the cost of air pollution control by fostering increased uses of bubbles, offset trading, and banking. Strongly encourage states to pursue opportunities for pilot experiments, generic bubble rules, and offset trading and banking systems.

- Consolidated and Streamlined Permitting. Encourage the states to take the lead in this area since most permitting occurs there.

- Energy Projects. Address more energy/environmental problem-solving issues in SEAs.

LEGAL COUNSEL AND ENFORCEMENT OPERATING YEAR GUIDANCE FOR FY 1982

During FY 1982 Agency enforcement units will develop and implement several significant initiatives to address the cross-cutting aspects of their various programs and to foster more effective and efficient enforcement at the Federal and state levels. These cross-cutting initiatives are discussed below.

o Management Reform

Agency enforcement units will develop criteria and objectives for an improved program management system. The system will include a plan for more effectively integrating currently available management tools, such as performance standards, operating year guidance, projected program accomplishments, budget commitments, State/EPA Agreement commitments, Grant and Cooperative Agreement conditions, and periodic Headquarters and Regional program reviews. A more effectively integrated management system will enhance our ability to identify, define, and remedy program deficiencies and will foster the exchange of particularly successful techniques among enforcement programs, Regional Offices, and states.

o Compliance Monitoring and Continuous Compliance

Priority in enforcement should now be given to ensuring the continuing compliance of sources that have installed appropriate control equipment and achieved initial compliance. In addition, we need to improve tracking and enforcement of intermediate milestones incorporated in compliance schedules or agreements. Regions and states should jointly develop compliance overview programs to detect and remedy patterns of non-compliance.

o Multi-media Compliance Approaches

During the coming year, EPA will develop uniform procedures for conducting multi-media compliance inspections, conduct formal training programs for multi-media compliance inspectors, develop national protocols for chain-of-custody and evidence preservation as part of out quality control program, and create an integrated data management system that will allow us to make multi-media compliance determinations. The need for developing multi-media enforcement tools will be part of an overall Agency effort to better integrate the regulatory programs of the various media. This is especially important for hazardous and toxic pollutants.

o Integrated Enforcement Data System

Agency enforcement offices will begin to integrate the major data systems for compliance monitoring, litigation tracking, Federal facility information, and hazardous waste site tracking. When completed in FY 1983, the system will utilize a single integrated data base which will allow for cross-media data retrieval and will eliminate duplication of effort in system operation and maintenance and data input. The emphasis of this project will be on managing information and data, improving quality assurance, data production and storage, establishing data standards, and providing improved retrieval and analytical capabilities.

o Consolidated Permits

The Consolidated Permit Regulations provide for consolidated permit issuance procedures and centralized administration for five permit programs: the National Pollutant Discharge Elimination System (NPDES); the hazardous waste permit program under the Resource Conservation and Recovery Act (RCRA); the Underground Injection Control (UIC) program; the Section 404 Dredge and Fill program; and the Prevention of Significant Deterioration (PSD) program. In FY 1982 this program will examine and implement reforms to simplify the Consolidated Permit Regulations and provide training to assist Regions and states to consolidate and streamline their permitting activities.

o Integrated Toxics Strategy

The Agency's enforcement units are committed to fully supporting implementation of the Agency's toxics integration strategy. The inter-media priority chemicals list should be considered by Regions and states in establishing enforcement priorities for all relevant programs (NPDES, PSD, 404, RCRA, and UIC).

o Energy-Related Permits

Permits for energy-related facilities should be issued in an expeditious manner for all media, with special emphasis on offshore oil and gas operations and other facilities designated as priority by the Permits Coordination Group and the Regions.

o Enforcement Responses to Emergencies

Enforcement actions in emergency situations involving substantial threats to public health or safety whenever or wherever they occur are to receive overriding priority attention.

o Strengthened Criminal Enforcement Program

The Agency will improve its ability to investigate and prosecute criminal enforcement cases, particularly with regard to major environmental dangers such as midnight dumping.

o State/EPA Agreements

In negotiating the 1982 State/EPA Agreements, the Regional Offices and states should focus on identifying enforcement commitments which contribute to the solution of major multi-media or program-specific environmental or management problems, including state-specific problems, with maximum state participation and Federal assistance where needed.

ADMINISTRATION
OPERATING YEAR GUIDANCE FOR FY 1982

The Office of Administration (OA) is responsible for providing many management services to the rest of EPA that are critical to programs' ability to function -- grants, personnel, contracts, support services, management of our facilities, protection of the health and safety of employees, and an information management/data processing capability. Budget constraints and inflation are directly affecting many of these areas at the same time there is increasing demand for these management services. Therefore, EPA needs to develop new and more efficient ways of performing and providing these services. The actions the Office of Administration plans to take in FY 1982 to be in a position to more effectively provide these services follow.

Headquarters and Regional Objectives and Activities

- o Improve delivery and the perception of delivery of services as now exist in terms of quality and timeliness in order to develop OA credibility. (HQ)

- o Set-up systems to consolidate Agency-wide (including Regions) activities in AA/A office for: (HQ & RO)

  - fiscal reporting

  - information systems development and support

  - laboratory facilities and equipment management including acquisition

  - grants and financial administration

  - library and publications systems

- o Develop an accomplishment-oriented personnel assessment system that will: (HQ)

  - allow better estimates of manpower requirements for task accomplishment

  - form the basis for a more quantitative personnel review technique with perceived higher motivational effect

- o Test the system above within OA. (HQ)

- o Perform a comprehensive management review to determine areas of duplicative effort and establish a new, more streamlined management organization with its ancillary

functions. Test organizational structure in OA. Recommend action to Administrator in pertinent offices (R&D, for instance). (HQ)

- Develop summary financial data reporting forms to provide Administrator with periodic information relating to that office's direct action concerns. (HQ)

- Simplify contract and grant administrative procedures in order to expedite implementation of programs, reduce contractor's (and, therefore, EPA's) cost, but without losing control. If Federal regulatory procedures inhibit this, move to have them changed. (HQ)

- In all these processes ensure that affirmative action, civil rights, OSHA, union and other related activities are adequately taken into account. (HQ & RO)

- Begin to implement the decisions made as a result of the examination of our laboratory analytic services. Special attention will go to decisions that concern capital investment choices. (HQ & RO)

OPERATING YEAR GUIDANCE FOR FY 1982 FOR THE ADMINISTRATOR'S EXECUTIVE OFFICES

The Administrator's Executive Offices include many distinct and separate offices. They are:

- Immediate Office of the Administrator
- Office of Administrative Law Judges
- Office of Civil Rights
- Office of Federal Activities
- Office of International Activities
- Office of Congressional Liaison
- Office of Public Affairs
- Office of Small and Disadvantaged Business
- Office of Intergovernmental Liaison
- Science Advisory Board
- Office of Inspector General

Many of the activities associated with these offices are conducted in direct response to requests of the Administrator and Headquarters program offices and do not lend themselves to inclusion in the Guidance. However, several offices -- the Office of Federal Activities, the Office of Public Affairs the Office of Civil Rights, and the Office of Inspector General -- are responsible for ongoing activities that are carried out in both Headquarters and the Regional Offices and need to issue some guidance to help the Regions more effectively carry out their responsibilities. The likely 1982 priorities of these offices are included in this section of the Operating Year Guidance.

OFFICE OF FEDERAL ACTIVITIES

The Office of Federal Activities, pursuant to the mandates of the National Environmental Policy Act (NEPA), Section 309 of the Clean Air Act, and Executive Order 12088, will work to ensure that EPA and other Federal agencies carry out their activities in manner that protects the environment.

The purpose of NEPA is to achieve responsible planning and protection of our nation's natural resources in decisions made by EPA and other agencies of the Federal government. All Federal agencies involved should routinely be brought into the planning process early so as to produce faster decisions as well as environmentally sound projects. NEPA can improve decisions on major projects by:

- identifying early which Federal agencies are involved;

- consolidating environmental information in a single document;

- identifying early major environmental problems that require alternative solutions.

Pursuant to Section 404 of the Clean Water Act, Executive Orders, Directives, and other policies, EPA will protect wetlands and other environmentally critical areas. It will also carry out its responsibilities to protect the environment on Indian reservations in a manner consistent with tribal self-determination and national policies toward Indian lands.

In addition, Executive Order 12088 mandates that EPA assist Federal agencies in controlling pollution from their facilities and activities by monitoring compliance, providing technical assistance, reviewing budgetary plans, and resolving disputes through the administrative mechanisms provided in the Order.

The major priorities the Office of Federal Activities will emphasize in FY 1982 are listed below.

First Level Priorities

o EPA NEPA Compliance

  - Ensure that Agency decisions concerning wastewater treatment construction grants, new source discharge permits, and selected regulatory actions are environmentally sound and cost-effective and that EPA's compliance with NEPA is coordinated, timely, and efficient.

  - Identify the benefits and costs associated with the NEPA process as it is being implemented.

o EIS/309 Review

  - Work with other Federal agencies in their planning to help them achieve environmentally sound decisions.

  - Give energy projects the highest priority for review.

o Protection of Special Areas

- In undertaking Agency programs, place particular emphasis on review of actions affecting floodplains, wetlands, coastal zones, prime agricultural lands, wild and scenic rivers, endangered species, and historic and cultural resources and Indian lands.

o Activities to Protect Aquatic Ecosystems

- Review individual Section 404 permit cases, with emphais on pre-permit application, planning, and analysis.

- Work actively to encourage and assist states in developing their own Section 404 programs.

o Control of Pollution from Federal Facilities

- Provide technical assistance to Federal agencies.

- Review and evaluate annual plans of Federal agencies.

- Resolve disputes regarding violations by Federal facilities.

OFFICE OF PUBLIC AFFAIRS

The Office of Public Affairs has been significantly changed during FY 1981. The former offices of Public Awareness and Press Services have been abolished and many of the functions they performed consolidated into a smaller, more focused Office of Public Affairs.

The new Office provides the Agency with one centralized point for coordinating all EPA public information policy and activities, including public participation. The reduced size of this Headquarters office represents a reduction in overlap and duplication in implementing the Agency's public information activities. Some of the specific functions previously performed by the Office of Public Awareness will now be performed only by the Regions or Headquarters program offices, while the Office of Public Affairs ensures consistency with overall Agency objectives.

The Office of Public Affairs will support Agency programs chiefly through press services. The Office will have one person assigned to each major program for coordination of media efforts, technical advice on publications, and policy input into grants and contracts issued by the program which are geared to public information activities. The new Office will also help Regions by providing direction and guidelines for Regional publications.

Program areas which can be expected to require public information office attention are:

- o Clean Air Act and Clean Water Act - Both of these pieces of legislation will be reviewed by Congress. EPA can expect an increased demand for public information and programs regarding the laws and their implementation through Federal, state, and local efforts.

- o Hazardous Waste Siting - Public acceptance of hazardous waste facilities depends on public understanding of the nature of the wastes that they are being asked to accept and the protection afforded by EPA's regulations.

- o Regulatory Reform - Implementation of innovative regulatory reform efforts, such as the bubble policy, will require public information efforts to help state/local agencies and businesses learn how to use them to save money.

- o Superfund Activities - A coordinated public information and community relation program is being developed by Headquarters for implementation in the Regions.

- o Water Supply Contamination - Information activities to alert the public to drinking water contamination in their area and the EPA authorities (Safe Drinking Water Act, Resource Conservation Recovery Act, etc.) for dealing with it.

OFFICE OF CIVIL RIGHTS

EPA will implement a program to recruit minorities and women in all of its occupational categories in which there are vacancies in order to improve the current underrepresentation of those groups.

For those actions that previously have resulted in formal discrimination complaints, the Agency will eliminate that backlog. Any future complaints will be processed promptly so that significant backlogs do not occur.

The Agency will also develop procedures that will enable it to comprehensively assess equal employment opportunity with effective standards, evaluation criteria to measure progress, and monitoring tools for standardized reviews.

OFFICE OF INSPECTOR GENERAL

In October 1978, the Congress passed and President Carter signed the Inspector General Act of 1978 (Public Law 95-452). That Act created Offices of Inspector General in 12 Federal Agencies including the Environmental Protection Agency. EPA established its Office of Inspector General in January 1980.

Among other duties, the EPA Office of Inspector General (OIG) is responsible for:

- Conducting audits and investigations relating to EPA's programs and operations.

- Improving the efficiency and economy of EPA's programs.

- Reviewing existing and proposed legislation and regulations in order to make recommendations concerning their impact.

Twice each year, the Office of Inspector General sends a formal report to the Congress, through the Administrator and Deputy Administrator, providing results of its audits and investigations and describing progress in promoting economy and efficiency in the administration of the Agency's programs or in preventing and detecting fraud, abuse, mismanagement, and waste in the programs and operations of EPA.

First Level Objectives

The principal FY 1982 activities OIG will undertake are broken out into three broad categories: Project Look reviews, audits, and investigations.

o Project Look Reviews

EPA's Wastewater Treatment Construction Grant Program annually represents more than 90 percent of the Agency's grant budget. Problems for construction programs have included defective construction, substandard materials, improper costing of or unnecessary change orders, collusion in bids, restrictive specifications, and bribes or kickbacks to public officials.

Because allegations concerning EPA's construction grant program are on the increase, a coordinated effort is needed to identify possible waste, mismanagement, abuse, and fraud. To address these problems, the Inspector General conducts "Project Look" -- intensive reviews of Construction Grant program expenditures and operations. Under "Project Look" the OIG sends out a team composed of auditors, investigators, and engineers to perform intensive reviews of selected grant projects.

o Audits

The objectives of OIG audits are:

- To determine whether the management control exercised by the grantee or contractor through its management system, accounting system, procurement system, and property control system are adequate to provide assurance that costs claimed are reasonable, allowable, and allocable to the sponsored project.

- To review operations and report any noncompliance with applicable grant or contract conditions or EPA rules and regulations and, based upon the review, to provide recommendations for improvement.

- To identify indicators of fraud, abuse, mismanagement, and waste or allegations of improprieties concerning EPA grants.

The audit activities planned for FY 1982 will emphasize construction grant final preaward contracts (other than construction grant preawards), construction grant interims, and other final audits.

o Investigations

The OIG receives allegations from employees, grantees, Congress, and the public concerning a wide variety of irregularities. The OIG has directed its investigative priorities to major fraud cases, such as conflicts of interest, kickbacks, or bribery of public officials, and away from cases of little consequence and of little administrative or legal significance.

Second Level Objectives

o Audit the Agency's ADP systems as required by OMB Circular A-71 and the GAO Standards for Audit of Government Organizations, Programs, Activities, and Functions.

o Provide audit cognizance for state and local agencies as required under Attachment P to OMB Circular A-102.

o Provide oversight of those states that have been delegated authority for the Construction Grants Program under the Clean Water Act.

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