



**DIRECTIVE NUMBER:** 9630.4

**TITLE:** FY-89 STATE UST PROGRAM GRANT GUIDANCE

**APPROVAL DATE:** April 1, 1988

**EFFECTIVE DATE:** April 1, 1988

**ORIGINATING OFFICE:** Office of Underground Storage  
Tanks (OUST)

☒ **FINAL**

☐ **DRAFT**

**STATUS:**

**REFERENCE (other documents):**

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United States Environmental Protection Agency  
Washington, DC 20460

# OSWER Directive Initiation Request

1. Directive Number

9630.4

## 2. Originator Information

Name of Contact Person

Jerry Parker

Mail Code

WH-562A

Office

OSWER/OUST

Telephone Code

475-7263

3. Title

FY-89 State UST Program Grant Guidance

4. Summary of Directive (include brief statement of purpose)

Provides the criteria and procedures for allocation of grant funds for state underground storage tank (UST) program activities in FY-89.

5. Keywords

underground storage tanks, grants

6a. Does This Directive Supersede Previous Directive(s)?

☐

No

☒

Yes

What directive (number, title)

OSWER Directive 9630.3 - FY 88

b. Does It Supplement Previous Directive(s)?

☒

No

☐

Yes

State UST Grant Guidance

What directive (number, title)

7. Draft Level

☐

A -- Signed by AA/DAA

☒

B -- Signed by Office Director

☐

C -- For Review & Comment

☐

D -- In Development

8. Document to be distributed to States by Headquarters?

☒

Yes

☐

No

This Request Meets OSWER Directives System Format Standards.

9. Signature of Lead Office Directives Coordinator

*Betty R. Arnold*

Betty R. Arnold, Alternate Directives Coordinator, OUST

Date

4/8/88

10. Name and Title of Approving Official

*Peter Hubbard*

Peter Hubbard, OSWER Directives Coordinator

Date

4/12/88

EPA Form 1315-17 (Rev. 5-87) Previous editions are obsolete.

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

APR - 1 1988

OFFICE OF  
SOLID WASTE AND EMERGENCY RESPONSE

OSWER DIRECTIVE 9630.4

MEMORANDUM

SUBJECT: FY 89 State UST Program Grant Guidance

FROM: Ron Brand, Director OUST *Ron Brand*

TO: Waste Management Division Directors, Regions I- III,  
V-IX  
Water Management Division Directors, Regions IV and X

Attached is the FY 89 State UST Program Grant Guidance. Overall, with a few exceptions, the document has not changed very much from the one sent to you for review on February 29, 1988. To summarize the major points of this document briefly:

The total amount of awards for the State Program Grants for FY 89 has increased to \$9 million -- up from \$6.58 million in FY 88. The proposed regional allocations have been changed to reflect the increased monies available. The proposed allocations have increased from \$125 thousand per state and territory in FY 88, to \$162.5 thousand per state (plus Puerto Rico and the District of Columbia) and to \$137.5 thousand per remaining territory in FY 89. In addition, the priority tasks (listed in priority order) eligible for funding with FY 89 grants have been changed to: state program development, program approval application, outreach efforts to promote compliance, and compliance monitoring and enforcement.

Attachment

cc: J Winston Porter, Assistant Administrator, OSWER  
OSWER Office Directors  
Regional UST Program Managers  
Harvey Pippin, Director, Grants Administration Division

April 1, 1988

FY 89 STATE UST PROGRAM GRANT GUIDANCEI. PURPOSE OF GRANT GUIDANCE

This guidance provides the criteria and procedures for allocation of grant funds for state underground storage tank (UST) program activities in FY 89. As a supplement to the grant regulations under 40 CFR Sections 30, 33, & 35, this guidance is to be used in developing and reviewing grant applications, awarding grants, and monitoring grant activities. Regional offices are responsible for negotiating grant agreements with states in a manner to ensure application of national guidance to individual state situations, progress in state program development, and accountability for grant fund expenditures.

Additional implementation guidance may be found in the "FY 1989 Agency Operating Guidance" (EPA, March 1988) and the "FY 1989-FY 1990 Transition Strategy for the Underground Storage Tank Program" (EPA, April 1988). Additional procedural guidance may be found in the "Policy on Performance-Based Assistance" (EPA, May 1985).

II. PURPOSE OF STATE UST PROGRAM GRANTS

The purpose of the UST grant program is to assist states in developing and implementing effective state-run UST regulatory programs for the prevention, detection, and correction of leaking underground tanks containing petroleum and hazardous substances.

It should be noted that Congress intended that federal grant funds in the UST program be used as "seed" money to assist states with the development of state programs. There are no plans for substantial long-term federal funding of state-run programs, and states are expected to develop their own funding mechanisms.

In addition to state program grants, EPA is developing a variety of implementation tools for use by states, and is providing a forum for states to share information and experience concerning UST programs. EPA is also providing Leaking Underground Storage Tanks (LUST) Trust Fund monies to states to assist in cleaning up leaking tanks. After the federal regulations become effective in early FY 89, access to the LUST Trust Fund may be enhanced in future years for those states that are making good progress toward developing regulatory programs for the prevention of leaking tanks. Specifically, regions will be looking for reasonable progress in submitting complete

funding (see OMB circular A-87 and 40 CFR 30.410).

When a state does not seek program approval, the Regional Administrator may use funds not awarded or committed to that state to supplement awards to other states or to support a federal program conducted in the absence of an acceptable state program. Funds may not be diverted from Subtitle I to support Subtitle C activities, nor vice versa.

#### Grant Award Schedule for FY 89

April - June	Develop draft FY 89 grant applications (region or state).
July	Region begins grant negotiations with states.
August	States submit final grant applications.
By Sept. 30	Region has processed grant up to point of award.
October	Region begins to award grants.

#### Grant Oversight

In accordance with Agency policy, the region must conduct at least one on-site review. Regions should plan a mid-year and/or end-of-year review with each state, and forward to OUST/HQ a copy of each state's performance evaluation final report. Regions may arrange with states for more frequent reviews.

The comprehensive program review for each state should discuss progress toward completion of funded tasks. Reviews should identify:

1. areas of success including approaches that could be shared with other states;
2. areas for improvement in the UST program;
3. areas where EPA assistance could be helpful, including a plan for action.

Copies of all state program evaluation reports and end-of-year grant reports for FY 89 should be sent to Joe Retzer, Director, Implementation Division, OUST, within 30 days of completion of the report.

#### State Reporting Requirements

All states should report in a timely and accurate fashion the data needed for the quarterly activities report and the Strategic Planning and Management System (SPMS) report for the EPA UST program. Regions will need to relay this data to OUST/HQ within 10 working days of the end of each federal fiscal quarter. Regions and states may develop reporting schedules that allow them to meet these deadlines. Regions shall request that states report annually on aggregate data from their notification data systems.

applications for state program approval. The only solution to the problem of leaking tanks is for states to implement prevention programs, which over time will result in fewer leaking tanks.

EPA recognizes that there will be a transition period between the time the federal regulations become effective and the time most states attain state program approval. Consistent with the overall strategy of building state programs, states will be asked to implement as much of the federal UST program as possible, until such time as state programs are authorized to operate the program. Federal program grants are essential to ensure the success of EPA's transition strategy.

The emphasis of EPA's program implementation is on the long term, and the transition period will be characterized by the continuing growth of a national UST program realized through the building of state and local programs. It is EPA's objective to focus federal resources and efforts on improving existing programs and facilitating the development of new state programs. Over time EPA's program implementation focus will shift from building state capability and approving state programs to assisting states to improve the performance of state and local programs.

### III. FY 89 NATIONAL PRIORITIES AND FUNDABLE TASKS

The following are fundable tasks for FY 89 grants, listed in priority order. For each task, specific outputs for individual states will be determined by negotiations between the state and the EPA regional office, taking into account the nature and extent of program needs in that state and the national priorities. (The activities listed after each priority task are for illustration only. They are not required to be met in order to accomplish the priority task. Required activities are those actually negotiated between the region and the state.) States do not have to conduct activities in all four fundable task categories although that approach is encouraged. On the other hand, a state should not be doing activities under Task 4 if it fails to agree to activities under Tasks 1, 2, or 3.

#### Priority Tasks:

Task 1: STATE PROGRAM DEVELOPMENT. Develop/revise state authorities and regulations for the state UST program in order to meet federal standards. Investigate/develop mechanisms to fund the state program. Apply for a state UST program grant for FY 90. Develop state authorities and procedures for an adequate compliance monitoring and enforcement program. Maintain an on-going tank notification program and capability to report aggregate data derived from the notification

requirements to EPA on an annual basis. Secure technical assistance and training for state and local personnel for UST program implementation. Investigate/initiate development of a state fund to help owners/operators meet financial responsibility requirements.

Task 2: PROGRAM APPROVAL APPLICATION. Develop draft and/or final application for state program approval, and submit to the EPA regional office.

Task 3: OUTREACH EFFORTS TO PROMOTE COMPLIANCE. Promote compliance with federal and state requirements through outreach efforts designed to disseminate regulatory and technical information to local governments and the regulated community. Suggested priority areas include information on standards for new tanks, leak detection, corrective action, and closure.

Task 4: COMPLIANCE MONITORING AND ENFORCEMENT. Identify, investigate and resolve violations of the federal regulations. Operate and enforce existing state UST programs. A suggested priority area is new tank installations.

#### IV. ALLOCATION OF STATE GRANT FUNDS

We expect the total FY 89 state grant allocation to be \$9 million. (This figure is based on the President's budget currently being considered by Congress.)

The grant funds will be allocated to the regions at the rate of \$162.5 thousand per state (plus Puerto Rico and the District of Columbia) and \$137.5 thousand for the remaining territories. The objective for this year is to increase the funding level for all states and territories, in order to continue building momentum in the development of state and territorial programs. Regions have the ability to move funds among their states and territories. However, regions should notify OUST/HQ when a state has received less than 90% of its funding compared to last year's grant.

#### Regional Allotments for FY 89 State UST Program Grants

Region 1	\$ 975K
Region 2	625K
Region 3	975K
Region 4	1300K
Region 5	975K
Region 6	812.5K
Region 7	650K
Region 8	975K

Region 9	1062.5K
Region 10	650K
Total	\$9000K

## V. STATE MATCH

FY 1989 state UST program grants will require a minimum 25% grant match from the states. Of course, the state match can include in-kind contributions.

## VI. GRANT ADMINISTRATION

### Grant Application

The state or region may initiate the grant process. A state may submit a draft grant application to the region, or the region may provide a draft work plan to its states for consideration.

### Grant Negotiations.

Specific activities funded under each state's grant work plan will be determined through negotiations with the region. In accordance with the Agency's policy on performance-based grants, each state will be expected to make specific task commitments as part of its grant agreement. Commitments should reflect the priorities stated in this guidance. In addition, for each major task funded, the grant agreement must identify the resources (dollars and FTEs) associated with that task, together with quarterly work commitments. Regions should negotiate with states to provide the information needed for measures UST-1 and UST-3 of the quarterly SPMS report, and an annual report of aggregate task data derived from the state notification data base.

Designated state agencies may enter into intergovernmental agreements with substate or local government agencies to provide funds for the performance of specified tasks (40 CFR Section 33.260). The designated state agency retains the ultimate responsibility for ensuring that such funds are properly expended in accordance with federal requirements. Substate agencies that intend to contract out for services must comply with applicable procurement requirements (40 CFR Part 33).

### Grant Awards

All available grant funds should be obligated to the states in FY 89. FY 88 carryover funds will be awarded at the Regional Administrator's discretion for high priority UST activities.

UST program grant funds may only be used for eligible activities, i.e., those which are: (1) necessary to develop and implement an approvable state UST program, and (2) allowable for