Section 71.4(d) addresses the circumstances in which EPA proposes to issue permits to OCS sources (sources located in offshore waters of the United States) pursuant to the requirements of section 328(a) of the Act. Section 328 of the Act transferred from the Department of the Interior to EPA the authority to regulate air pollution from sources located on the OCS off of the Atlantic, Arctic, and Pacific coasts and in the Gulf of Mexico east of 87.5 degrees longitude. In today's notice, which proposes revisions to 40 CFR part 55 in addition to the proposed Federal operating permit rules, EPA is proposing to require an OCS source to comply with the requirements of part 71 if the source is located beyond 25 miles of States' seaward boundaries or if the source is located within 25 miles of a State's seaward boundary and the requirements of part 71 are in effect in the corresponding onshore area (COA). Section 328 requires that EPA establish requirements for sources located within 25 miles of a State's seaward boundary that are the same as would be applicable if the source were located in the COA.

Part 71 permits would be issued to OCS sources by the Administrator or a State or local agency that has been delegated the OCS program in accordance with part 55 of this chapter. As OCS sources beyond 25 miles of States' seaward boundaries would become subject to part 71 immediately upon the effective date of part 71, they would be required to submit part 71 permit applications within 1 year of becoming subject to this part.

Proposed § 71.4(e) describes how EPA would take action on objectionable permits that have already been proposed or issued by a permitting authority. Section 505(b) of the Act and 40 CFR 70.8 (c) and (d) require EPA to object to the issuance of any permit that EPA determines is not in compliance with the applicable requirements of the Act. If the permitting authority does not take appropriate action in response to EPA's objection, EPA shall revise, terminate, or revoke the permit if it has been issued and shall correct and issue the permit if it has not been issued.

As provided in 40 CFR 70.7(g) (§ 70.7(j) in the proposed revisions to part 70), if EPA finds that a State-issued permit must be reopened to correct an error or add newly applicable requirements, EPA will notify the permitting authority. If the permitting authority does not take appropriate action, EPA will revise and reissue the permit under part 71.

As provided at 40 CFR 70.8(c)(1), EPA will object to the issuance of any proposed permit that EPA determines is

not in compliance with the applicable requirements of the Act or the requirements of part 70. If EPA objects within 45 days of receipt of a copy of the proposed permit, the permitting authority may not issue the proposed permit to the source. The EPA's objection, as required by 40 CFR 70.8(c)(2), shall include a statement of EPA's reasons for objecting and a description of the permit terms that the permit must include to respond to the objection. Moreover, under 40 CFR 70.8(c)(3), failure of the permitting authority to: (1) Comply with requirements in 40 CFR 70.8 (a) and (b) to notify EPA and affected States, (2) submit to EPA any information necessary to adequately review the proposed permit, or (3) process the permit under procedures approved to meet the public participation requirements of part 70 would also constitute grounds for EPA objection to a proposed permit.

Under 40 CFR 70.8(c)(4), if the permitting authority fails within 90 days after EPA's objection to revise and submit to EPA a new proposed permit responding to the objection, EPA will issue or deny the permit. Proposed § 71.4(e)(1) would establish the authority for EPA's permit issuance or denial in these situations.

Likewise, proposed § 71.4(e)(1) would establish the authority for EPA to revise, terminate, or revoke a permit in response to a citizen petition filed under 40 CFR 70.8(d). The EPA's action to revise, terminate or revoke a permit would then occur consistent with 40 CFR 70.7(g)(4) or (5)(i) and (ii) (§§ 70.7(j)(4) or (5)(i) and (ii) of the proposed revisions to part 70), except in unusual circumstances, such as where there is a substantial and imminent threat to the public health and safety resulting from the deficiencies in the permit. Usually, the permitting authority would have 90 days from receipt of EPA's objection in response to a citizen petition to resolve the objection and terminate, revise, or revoke and reissue the permit in accordance with EPA's objection. See 40 CFR 70.7(g)(4), § 70.7(j)(4) of the proposed revisions to part 70. If the permitting authority failed to resolve the objection, EPA would terminate, revise, or revoke and reissue the permit, after providing at least 30 days notice to the permittee in writing of the reasons for such action (which may be given at any time during the time period after EPA objects to the permit) and providing the permittee an opportunity for comment on EPA's proposed actions and an opportunity for a hearing. See 40 CFR 70.7(g)(5)(i) and (ii) and §§ 70.7(j)(5)(i)

and (ii) of the proposed revisions to part 70. Proposed § 71.4(e)(2) would provide the authority for EPA to take such action.

Section 71.4(f) of the proposed rule would authorize EPA to use part 71 in its entirety or any portion of the regulations, as needed. For example, EPA could use the provisions for permitting OCS sources without permitting any other types of sources. Similarly, EPA could use only portions of the regulations to correct and issue a State permit without, for example, requiring an entirely new application. Proposed § 71.4(f) would also authorize EPA to exercise its discretion in designing a part 71 program. The EPA would be able to, through rulemaking, modify the national template by adopting appropriate portions of a State's program as part of the Federal program for that State, provided the resulting program is consistent with the requirements of title V.

The EPA believes it is reasonable and appropriate to provide this flexibility in implementing a part 71 program. First, such flexibility would enable EPA to intervene in the administration and enforcement of an operating permits program only to the extent necessary to correct deficiencies. Second, it would provide EPA, after notice and comment rulemaking, the ability to appropriately tailor part 71 to the State in which it would be implemented, thus resulting in less disruption of the State air program and the daily operations of covered sources than might otherwise occur. While EPA believes that part 71 as proposed today should not result in unnecessary disruption, the Agency recognizes that further State-specific tailoring may be appropriate.

Proposed §71.4(g) clarifies that EPA would publish a notice of the effective dates of part 71 programs. The EPA would publish such notice in the Federal Register and would, to the extent practicable, publish notice in a newspaper of general circulation in the area affected by the part 71 program. The EPA would also publish such notice for delegations of part 71 programs. Finally, in addition to notices in the **Federal Register** and newspapers of general circulation, EPA would send a letter to the Governor (or his or her designee) or the Tribal governing body for the affected area informing him or her of when the part 71 program or its delegation would become effective.

Section 71.4(h) proposes that EPA would be authorized to promulgate and administer a part 71 program in its entirety even if only limited deficiencies exist in a State or Tribal program. The EPA believes that such authority is