District's Manual of Procedures, Volume II, Part 3 (MOP), which implement the District's title V and synthetic minor programs. These revisions were not made in response to the title V program deficiencies identified by EPA in the proposed rulemaking, but rather to address local issues and concerns. EPA is promulgating a direct final approval of the amendments to coordinate the effective date of the title V and FESOP programs (which are being promulgated in today's Final Rules Section) with the effective date of the revisions.

II. EPA Evaluation and Action

On March 23, 1995, the California Air Resources Board (CARB) submitted to EPA, on behalf of the Bay Area, revisions to the District's title V operating permits program. The revisions, adopted February 1, 1995 by the Bay Area, address local issues and concerns and were not adopted in response to EPA's November 29, 1994 proposed interim approval notice (59 FR 60939). The District's synthetic minor program revisions, also adopted on February 1, 1995, were submitted to EPA by CARB, on behalf of the Bay Area, on March 31, 1995. The synthetic minor revisions clarify the District's processing of synthetic minor permit modifications.

The EPA has evaluated the submitted rules and has determined that they are substantially consistent with 40 CFR part 70 and fully consistent with the June 28, 1989 approval criteria (54 FR 27274) for SIP-approved state operating permit programs. The following is a brief analysis of the key regulatory revisions being acted on in today's notice. (Please refer to the Technical Support Document for a complete analysis of the submission.)

A. Analysis of Submission

1. Title V Operating Permit Program

a. Federal Enforceability—Title V permits in the Bay Area will contain District, State, and federal requirements. Bay Area's regulation, prior to the February 1, 1995 revisions, interchanged the terms ''applicable requirement'' and ''federally enforceable requirement,'' causing District and State-only requirements to become federally enforceable. (See 59 FR 60942.) On February 1, 1995, Bay Area revised its regulations to ensure that District and State-only requirements would not automatically become federally enforceable. (See 2–6–305, 2–6–307, 2–6–311.)

b. Duty to Apply—EPA proposed source category-limited interim approval of Bay Area's title V program on November 29, 1994 because the program allows certain sources to remain out of the program for two years by deferring the duty to apply for a title V permit. On February 1, 1995, Bay Area revised the duty to apply section of its regulation to clarify eligibility and timing issues associated with this deferral of applications. The changes ensure that only smaller sources of emissions will receive the deferral (2–6–403.1). These changes are consistent with the source category-limited interim approval proposed in the November 29, 1994 **Federal Register** notice. The revisions further specify which sources are required to submit applications within three months from the effective date of Bay Area's title V program so that the District can meet federal requirements for initial permit issuance (2–6–404.7 and section 70.4(b)(11)).

c. Permit Applications—Bay Area made several revisions to its permit application requirements. The primary substantive revision relieves sources of the requirement to calculate and summarize emissions from units that emit quantities below given thresholds (2 tons per year of a regulated air pollutant and 1000 pounds per year of a hazardous air pollutant) (2–6–405.6). EPA stated in its proposed notice that it would accept emissions cut-offs of 2 tons per year for criteria pollutants and the lesser of 1000 pounds per year or the section 112(g) de minimis levels for hazardous air pollutants (HAP) as criteria used to establish insignificant activities. According to section 70.5(c), once an activity qualifies as insignificant under these cut-offs, a source need only list it on the permit application. Bay Area's approach is substantially consistent with EPA's interpretation of insignificant activities. (For further analysis, please refer to the Technical Support Document located in the docket and Bay Area's final title V interim approval notice published in today's Final Rules Section of the **Federal Register**.)

d. Insignificant Activities—As noted above, section 70.5(c) in part 70 defines insignificant activities as ''activities and emissions levels which need not be included in permit applications.'' Bay Area indicated in the program description for its initial title V submittal that sources listed as exempt or excluded from permitting in Regulation 2, Rule 1, section 113.3 and sections 114–128 constitute the District's list of insignificant activities (''November 1993 List''). (See November 16, 1993 submittal: Program Description, p.II–3; rule 2–6–405.4, adopted November 3, 1993; and Appendix B, Part III.) The threshold on the November 1993 List is 150 pounds per day, which exceeds the level that EPA has allowed to be insignificant; therefore, EPA noted this provision as an interim approval issue. (See 59 FR 60939, November 29, 1994.) In the February 1, 1995 revisions, rule 2–6–405.6 is unclear as to whether Bay Area intended to require the activities on the November 1993 List to be quantified on the permit application. For an interim period, EPA will allow Bay Area not to require quantification of emissions from units on the November 1993 List, unless the emissions are necessary for determining the applicability of requirements or establishing permit terms and conditions that assure compliance with the applicable requirements. (See MOP, section 2.1.2, subsection d (p.3–8), adopted February 1, 1995.) At the end of the two-year interim approval period, Bay Area must demonstrate that each of the activities on the November 1993 List meet EPA's criteria for insignificant activities in section 70.5(c) and revise the list to exclude activities and emissions that do not qualify as insignificant to ensure that such activities and emissions will be quantified on the permit application. EPA also recommends that the District clarify that any ''exemption'' or ''exclusion'' provided by Regulation 2, Rule 1 as referred to in rule 2–6–405.4.2 (February 1, 1995 version of Regulation 2–6) does not exempt sources from title V permitting requirements.

In addition, the February 1, 1995 version of Regulation 2–6 relieves sources emitting less than 2 tons per year of a regulated air pollutant or 1000 pounds per year of a hazardous air pollutant from having to quantify emissions. While the emissions cut-off approach is acceptable for defining insignificant activities, Bay Area must add a provision to Regulation 2–6 stating that information from insignificant activities may not be omitted from the permit application if it is necessary to determine the applicability of a requirement, to impose any applicable requirement, or to assess fees (section 70.5(c)). This addition will ensure that Bay Area's insignificant activities provisions will not interfere with determining whether and how a CAA requirement applies at a source.

e. Fees—Section 3 of the revised MOP specifies fees associated with permit shields, acid rain facility monitors, public notice, etc. These fees are in addition to those that EPA found adequate for full approval in its November 29, 1994 proposal. Part 70 gives the District discretion to establish fees as long as all direct and indirect