that was submitted as part of Santa Barbara's part 70 program [Appendix B–1, Sections C, E.3.c through h, and E.6, submitted November 15, 1993.] Any modifications to these sections of the Standard Permit Format must be approved by EPA. Failure to include these conditions in part 70 permits will be cause for EPA to object to a District operating permit. See § 70.8(c)(1). In order to receive full approval, Santa Barbara must modify Rule XIII to include the level of detail regarding recordkeeping associated with monitoring found in § 70.6(a)(3)(ii) (A) and (B), identification of difference in form from the applicable requirement, consistent with the requirements of § 70.6(a)(1)(ii), and definition of ''prompt'', consistent with § 70.6(a)(3)(iii)(B).

c. Insignificant Activities—Section 70.4(b)(2) requires States to include in their part 70 programs any criteria used to determine insignificant activities or emission levels for the purpose of determining complete applications. Section 70.5(c) states that an application for a part 70 permit may not omit information needed to determine the applicability of, or to impose, any applicable requirement, or to evaluate appropriate fee amounts. Section 70.5(c) also states that EPA may approve, as part of a State program, a list of insignificant activities and emissions levels which need not be included in permit applications. Under part 70, a State must request and EPA must approve as part of that State's program any activity or emission level that the State wishes to consider insignificant. Part 70, however, does not establish appropriate emission levels for insignificant activities, relying instead on a case-by-case determination of appropriate levels based on the particular circumstances of the part 70 program under review.

Santa Barbara submitted District Rule 202, its current permit exemption rule, as its list of insignificant activities. It is clear that Rule 202 was not developed with the purpose of defining insignificant activities under the District's title V program in mind; the applicability provisions of the rule state that the exemptions apply to the requirements of Rule 201, the District requirements for obtaining Authority to Construct permits and non-federally enforceable Permits to Operate. Santa Barbara did not provide EPA with criteria used to develop the exemptions list, information on the level of emissions from the activities, nor with a demonstration that these activities are not likely to be subject to an applicable requirement. Therefore, EPA cannot propose full approval of the list as the basis for determining insignificant activities.

For other State and district programs, EPA has proposed to accept, as sufficient for full approval, emission levels for insignificant activities of 2 tons per year for criteria pollutants and the lesser of 1000 pounds per year, Section 112(g) de minimis levels, or other title I significant modification levels for hazardous air pollutants (HAP) and other toxics (40 CFR 52.21(b)(23)(i)). The EPA believes that these levels are sufficiently below the applicability thresholds of many applicable requirements to assure that no unit potentially subject to an applicable requirement is left off a title V application. The EPA is requesting comment on the appropriateness of these emission levels for determining insignificant activities in Santa Barbara. This request for comment is not intended to restrict the ability of States or districts, including Santa Barbara, to propose, and EPA to approve, different emission levels if the State or district demonstrates that such alternative emission levels are insignificant compared to the level of emissions from and types of units that are permitted or subject to applicable requirements.

d. Definition of Title I Modification—Among the several criteria that Santa Barbara includes in its definition of ''significant part 70 permit modification'' is the provision that it not included a ''minor permit modification.'' Santa Barbara's exclusion of minor permit modifications as well as its definition of ''title I (or major) modification'' to include only modifications that are major under federal NSR and PSD resulting in a 'significant' net emissions increase, or a new or modified HAPs source resulting in a 'de minimis' increase of HAPs, clearly indicates that Santa Barbara does not interpret ''title I modification'' to include ''minor NSR changes.'' Additionally, Santa Barbara's definition of ''title I modification'' does not include modifications under part 60. Santa Barbara's definition of ''significant part 70 permit modification'' includes only ''Any equivalent or identical replacement of an emissions unit that is subject to standards promulgated under CAA, sections 111 or 112.'' Therefore, Santa Barbara's rule would not require all modifications under part 60 to be processed as significant permit revisions. Part 70 requires all modifications under title I of the Act to be processed as significant permit modifications (§ 70.7(e)(2)(i)(A)(5)). The EPA is currently in the process of determining the proper definition of ''title I modification.'' As further explained below, EPA has solicited public comment on whether the phrase ''modification under any provision of title I of the Act'' in 40 CFR 70.7(e)(2)(i)(A)(5) should be interpreted to mean literally any change at a source that would trigger permitting authority review under regulations approved or promulgated under title I of the Act. This would include State preconstruction review programs approved by EPA as part of the State Implementation Plan under section 110(a)(2)(C) of the Clean Air Act.

On August 29, 1994, EPA proposed revisions to the interim approval criteria in 40 CFR 70.4(d) to, among other things, allow State programs with a more narrow definition of ''title I modification'' to receive interim approval (59 FR 44572). The Agency explained its view that the better reading of ''title I modification'' includes minor NSR, and solicited public comment on the proper interpretation of that term (59 FR 44573). The Agency stated that if, after considering the public comments, it continued to believe that the phrase ''title I modification'' should be interpreted as including minor NSR changes, it would revise the interim approval criteria as needed to allow States with a narrower definition to be eligible for interim approval.

Santa Barbara's exclusion of certain types of modifications under part 60 from the definition of ''title I (or major) modification'' and ''significant part 70 permit revision'' is an interim approval issue. EPA's initial part 70 proposal (56 FR 21712) identified part 60 modifications as title I modifications. No comment was received on the inclusion of part 60 modifications in the definition of ''title I modification,'' and EPA is not considering modifying the definition to remove modifications under part 60. With respect to minor NSR, the EPA hopes to finalize its rulemaking revising the interim approval criteria under 40 CFR 70.4(d) expeditiously. If EPA establishes in its rulemaking that the definition of ''title I modification'' can be interpreted to exclude changes reviewed under minor NSR programs, Santa Barbara's exclusion of minor new source review from the definition of ''significant part 70 permit modification'' and interpretation of ''title I (or major) modification'' would be consistent with part 70. Conversely, if EPA establishes through the rulemaking that the definition of ''title I modification'' must include changes reviewed under minor NSR, Santa Barbara's definition and