

EPA found complete, a second sanction would be required.

If, following final interim approval, EPA were to disapprove Santa Barbara's complete corrective program, EPA would be required to apply one of the section 179(b) sanctions on the date 18 months after the effective date of the disapproval, unless prior to that date the District had submitted a revised program and EPA had determined that it corrected the deficiencies that prompted the disapproval. Moreover, if the Administrator found a lack of good faith on the part of the District, both sanctions under section 179(b) would apply after the expiration of the 18-month period until the Administrator determined that the District had come into compliance. In all cases, if, six months after EPA applied the first sanction, Santa Barbara had not submitted a revised program that EPA had determined corrected the deficiencies that prompted disapproval, a second sanction would be required.

In addition, discretionary sanctions may be applied where warranted any time after the end of an interim approval period if a district has not timely submitted a complete corrective program or EPA has disapproved a submitted corrective program. Moreover, if EPA has not granted full approval to a district title V operating permits program by the expiration of an interim approval and that expiration occurs after November 15, 1995, EPA must promulgate, administer and enforce a federal permits program for that district upon interim approval expiration.

1. Santa Barbara's Title V Operating Permits Program

If EPA finalizes this interim approval, Santa Barbara must make the following changes, or changes that have the same effect, to receive full approval (all required revisions are to District Rule XIII unless otherwise noted):

a. Variances—Revise Rule 1305.G(1) to read "The terms and conditions of any variance or abatement order that would prescribe a compliance schedule shall be incorporated into the permit as a compliance schedule, to the extent required by Part 70 rules."

b. Permit Content—Revise Rule 1303.D.1.f. permit content requirements to provide adequate specificity with regard to the applicable recordkeeping requirements. See § 70.6(a)(3)(ii)(A) and (B).

c. Insignificant Activities—Provide a demonstration that activities that are exempt from permitting under Rule XIII, (pursuant to rule 202, the District's permit exemption list) are truly

insignificant and are not likely to be subject to an applicable requirement. Alternatively, Rule XIII may restrict the exemptions to activities that are not likely to be subject to an applicable requirement and emit less than District-established emission levels. The District should establish separate emission levels for HAP and for other regulated pollutants and demonstrate that these emission levels are insignificant compared to the level of emissions from and type of units that are required to be permitted or subject to applicable requirements. See § 70.4(b)(2).

Additionally, Revise Rule XIII to require that insignificant activities that are exempted because of size or production rate be listed in the permit application. See § 70.5(c). See 1302.D.1.f., Definition of insignificant activities.

Additionally, Revise Rule 1301 definition of "Insignificant Activities" to delete the last sentence, which contradicts the requirement that applications may not omit information needed to determine the applicability of, or to impose, any applicable requirement, or to evaluate the fee amount required. See § 70.5(c).

d. Definition of Administrative Permit Amendment—Revise 1301, definition of "Administrative Permit Amendment" part 6. Santa Barbara must define by rule what "other changes" will be determined to be administrative permit amendments. In order for "other changes" to qualify as an administrative permit amendment, the specific changes must be approved by the Administrator as part of the part 70 program. See § 70.7(d)(1)(iv).

e. Operational Flexibility Notification—Rule 1304.E.2 and E.3 must be revised to incorporate a requirement that sources notify EPA of changes made under the operational flexibility provisions. See § 70.4(b)(12).

f. Public Notification Requirement—Revise Rule 1304.D.6 to include notice "by other means if necessary to assure adequate notice to the affected public." See § 70.7(h)(1).

g. Significant Changes to Monitoring Requirements—Revise Rule 1301, definition of "Minor Permit Modification" part (4) to read "The modification does not involve any relaxation of any existing reporting or recordkeeping requirements in the permit, or any significant changes to existing monitoring requirements in the permit." See § 70.7(e)(2)(i)(2) and § 70.7(e)(4)(i).

h. Form of Applicable Requirement—The rule does not require the identification of any difference in form from the applicable requirement upon

which the term or condition is based. Regulation XIII must be revised to include this requirement. This requirement is included in the Standard Permit Format. EPA is specifically approving the Standard Permit Format that was submitted as part of Santa Barbara's part 70 program (Appendix B-1, Section C, November 15, 1993 submittal). Any modifications to 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 § 70.6(a)(1)(i).

i. Applicable Requirement Trading—Add emissions trading provisions consistent with § 70.6(a)(10), which require that trading must be allowed where an applicable requirement provides for trading increases and decreases without a case-by-case approval.

j. Prompt Reporting of Deviations—Santa Barbara has not defined "prompt" in their program with respect to reporting of all deviations. Part 70 of the operating permits regulations requires prompt reporting of deviations from the permit requirements. Section 70.6(a)(3)(iii)(B) requires the permitting authority to define prompt in relation to the degree and type of deviation likely to occur and the applicable requirements. Santa Barbara's requirement for reporting of deviations is limited to deviations due to emergency upset conditions. Under part 70, deviations include, but are not limited to, upset conditions. Santa Barbara must revise rule 1303.D.1.g to be consistent with the more inclusive part 70 requirement. To make Rule XIII more inclusive, Rule 1303.D.1.g could be revised to read "* * * Deviations shall be reported within 72 hours of the occurrence * * *."

Although the permit program regulations should define prompt for purposes of administrative efficiency and clarity, an acceptable alternative is to define prompt in each individual permit. Therefore, as an alternative to the revision to Rule 1303.D.1.g above, Rule XIII could be revised to require prompt reporting of all deviations, and to require that prompt be defined in each permit. Rule 1303.D.1.g could be revised to read "Conditions establishing all applicable reporting requirements; conditions establishing prompt reporting of any deviations from permit-stipulated requirement, including definition(s) of 'prompt' for all deviations. All applicable reports shall be submitted every 6 months and shall be certified by a responsible official. Deviations due to emergency upset conditions shall be reported within 72