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been in existence for a minimum of two years and is at least as stringent as the program for which the State is seeking authorization; and

(3) An estimate of the sources and amounts of funding for the first two years after approval to meet the costs listed in paragraph (b)(2) of this section, except where a State is seeking authorization for an established sewage sludge management program that has been in existence for a minimum of two years and is at least as stringent as the program for which the State is seeking authorization.

(c) A description of applicable State procedures, including permitting procedures, and any State administrative or judicial review procedures.

(d) Copies of the permit, application, and reporting forms or a description of the procedures the State intends to employ for obtaining information needed to implement its permitting program.

(e) A complete description of the State's compliance tracking and enforcement program (see 40 CFR 501.16 and 501.17).

(f)(1) An inventory of all POTWs and other TWTDS that are subject to regulations promulgated pursuant to 40 CFR part 503 and subject to the State program, which includes:

(i) Name, location, and ownership status (e.g., public, private, federal),

(ii) Sludge use or disposal practice(s),

(iii) Annual sludge production volume, and

(iv) Permit numbers for permits containing sewage sludge requirements, if any, and;

(v) Compliance status.

(2) States may submit either:

(i) Inventories which contain all of the information required by paragraph (f)(1) of this section; or

(ii) A partial inventory with a detailed plan showing how the State will complete the required inventory within five years after approval of its sludge management program under this part.

(g) In the case of Indian Tribes eligible under §501.24(b), if a State has been authorized by EPA to issue permits on the Federal Indian reservation in accordance with §501.13, a description of how responsibility for pending permit applications, existing permits, and sup-

porting files will be transferred from the State to the eligible Indian Tribe. To the maximum extent practicable, this should include a Memorandum of Agreement negotiated between the State and the Indian Tribe addressing the arrangements for such transfer.

[54 FR 18786, May 2, 1989, as amended at 58 FR 67984, Dec. 22, 1993; 59 FR 64346, Dec. 14, 1994; 63 FR 45124, Aug. 24, 1998]

§ 501.13 Attorney General's statement.

Any State that seeks to administer a program under this part shall submit a statement from the State Attorney General (or the attorney for those State or interstate agencies which have independent legal counsel) that the laws of the State, or an interstate compact, provide adequate authority to carry out the program described under §501.12 and to meet the requirements of this part. This statement shall include citations to the specific statutes, administrative regulations, and, where appropriate, judicial decisions which demonstrate adequate authority. State statutes and regulations cited by the State Attorney General or independent legal counsel shall be in the form of lawfully adopted State statutes and regulations at the time the statement is signed and shall be fully effective by the time the program is approved. To qualify as "independent legal counsel" the attorney signing the statement required by this section must have full authority to independently represent the State agency in court on all matters pertaining to the State program. If a State (which is not an Indian Tribe) seeks to carry out the program on Indian lands, the statement shall include an appropriate opinion and analysis of the State's legal authority.

[54 FR 18786, May 2, 1989, as amended at 58 FR 67984, Dec. 22, 1993]

§ 501.14 Memorandum of Agreement with the Regional Administrator.

(a) Any State that seeks to administer a program under this part must submit a Memorandum of Agreement. The Memorandum of Agreement must be executed by the State Program Director and the Regional Administrator and will become effective when approved by the Regional Administrator.

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In addition to meeting the requirements of paragraph (b) of this section, the Memorandum of Agreement may include other terms, conditions, or agreements consistent with this part and relevant to the administration and enforcement of the State's regulatory program. The Administrator will not approve any Memorandum of Agreement which contains provisions which restrict EPA's exercise of its oversight responsibility.

(b) The Memorandum of Agreement shall include the following:

(1)(i) Provisions for the prompt transfer from EPA to the State of pending permit applications applicable to the State program (or portion of the State program for which the State seeks approval) and any other information relevant to program operation not already in the possession of the State Director (e.g., support files for permit issuance, compliance reports, etc.). If existing permits are transferred from EPA to the State for administration, the Memorandum of Agreement must contain provisions specifying a procedure for transferring the administration of these permits. If a State lacks the authority to directly administer permits issued by the federal government, a procedure may be established to transfer responsibility for these permits.

(ii) Where a State has been authorized by EPA to issue permits in accordance with § 501.13 on the Federal Indian reservation of the Indian Tribe seeking program approval, provisions describing how the transfer of pending permit applications, permits, and any other information relevant to the program operation not already in the possession of the Indian Tribe (support files for permit issuance, compliance reports, etc.) will be accomplished.

(2) Provisions specifying classes and categories of permit applications, draft permits, and proposed permits that the State will send to the Regional Administrator for review, comment and, where applicable, objection. These provisions must follow the permit review procedures set forth in 40 CFR 123.44.

(3) The Memorandum of Agreement must also specify the extent to which EPA will waive its right to review, ob-

ject to, or comment upon State-issued permits.

(4) Whenever a waiver is granted under paragraph (3) of this section, the Memorandum of Agreement shall contain a statement that the Regional Administrator retains the right to terminate the waiver as to future permit actions, in whole or in part, at any time by sending the State Director written notice of termination.

(5) Provisions specifying the frequency and content of reports, documents and other information which the State is required to submit to EPA. The State shall allow EPA to routinely review State records, reports, and files relevant to the administration and enforcement of the approved program. State reports may be combined with grant reports where appropriate. The procedures shall implement the requirements of § 501.21.

(c) The Memorandum of Agreement must also provide for the following:

(1) The circumstances in which the State must promptly send notices, draft permits, final permits, or related documents to the Regional Administrator; and

(2) Provisions on the State's compliance monitoring and enforcement program, including:

(i) Provisions for coordination of compliance monitoring activities by the State and by EPA. These may specify the basis on which the Regional Administrator will select facilities or activities within the State for EPA inspection; and

(ii) Procedures to assure coordination of enforcement activities.

(3) When appropriate, provisions for joint processing of permits by the State and EPA for facilities or activities which require permits from both EPA and the State under different programs (see for example 40 CFR 124.4).

(4) Provisions for modification of the Memorandum of Agreement in accordance with this part.

(5) Provisions for modification of the Memorandum of Agreement in accordance with this part.

(d) The Memorandum of Agreement, the annual program grant and the State/EPA Agreement should be consistent. If the State/EPA Agreement indicates that a change is needed in the

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Memorandum of Agreement, the Memorandum of Agreement may be amended through the procedures set forth in this part. The State/EPA Agreement may not override the Memorandum of Agreement.

(The information collection requirements in paragraph (c) of this section have been approved by the Office of Management and Budget under control number 2040-0128)

[54 FR 18786, May 2, 1989, as amended at 58 FR 67984, Dec. 22, 1993; 63 FR 45124, Aug. 24, 1998]

§ 501.15 Requirements for permitting.

(a) *General requirements.* All State programs under this part must have legal authority to implement each of the following provisions and must be administered in conformance with each, except that States are not precluded from omitting or modifying any provisions to impose more stringent requirements:

(1) *Confidentiality of information.* Claims of confidentiality will be denied for the following information:

(i) The name and address of any permit applicant or permittee;

(ii) Permit applications, permits, and sewage sludge data. This includes information submitted on the permit application forms themselves and any attachments used to supply information required by the forms.

(2) *Duration of permits.* (i) NPDES permits issued to treatment works treating domestic sewage pursuant to section 405(f) of the CWA will be effective for a fixed term not to exceed five years.

(ii) Non-NPDES Permits issued to treatment works treating domestic sewage pursuant to section 405(f) of the CWA will be effective for a fixed term not to exceed ten years.

(3) *Schedules of compliance.* (i) General. The permit may, when appropriate, specify a schedule of compliance leading to compliance with the CWA and the requirements of this part. Any schedules of compliance under this section must require compliance as soon as possible, but not later than any applicable statutory deadline under the CWA.

(ii) *Interim dates.* If a permit establishes a schedule of compliance which exceeds one year from the date of per-

mit issuance, the schedule must set forth interim requirements and the date for their achievement, as appropriate.

(iii) *Reporting.* The permit must be written to require that no later than 14 days following each interim date and the final date of compliance, the permittee must notify the Director in writing of its compliance or non-compliance with the interim or final requirements, or submit progress reports if paragraph (a)(3)(ii) of this section is applicable.

(b) *Conditions applicable to all permits.* In addition to permit conditions which must be developed on a case-by-case basis in order to meet applicable requirements of 40 CFR part 503, paragraphs (a)(1) through (a)(3) of this section, and permit conditions developed on a case-by-case basis using best professional judgment to protect public health and the environment from the adverse effects of toxic pollutants in sewage sludge, all permits must contain the following permit conditions (or comparable conditions as provided for in the Memorandum of Agreement):

(1) *Duty to comply.* The permittee must comply with all conditions of this permit. Any permit noncompliance constitutes a violation of the Clean Water Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or denial of a permit renewal application.

(2) *Compliance with sludge standards.* The permittee shall comply with standards for sewage sludge use or disposal established under section 405(d) of the CWA (40 CFR part 503) within the time provided in the regulations that establish such standards, even if this permit has not yet been modified to incorporate the standards.

(3) *CWA penalties.* Section 309 of the Clean Water Act (CWA) sets out penalties applicable to persons who violate the Act's requirements. For example, section 309(d) provides that any person who violates a permit condition implementing sections 301, 302, 306, 307, 308, 318, or 405 of the Clean Water Act is subject to a civil penalty not to exceed \$25,000 per day for each violation. Such violations also may be subject to administrative penalties assessed by the