



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

April 20, 2005

MEMORANDUM

FROM: Kenneth Patterson, Director /s/
Regional Support Division, Office of Site Remediation Enforcement
Office of Enforcement and Compliance Assurance

TO: RCRA Senior Policy Advisors, Regions I-X
RCRA Enforcement Managers, Regions I-X
RCRA Key Contacts, Regions I-X

SUBJECT: Revised Penalty Matrix for RCRA §7003 Penalties

This memorandum transmits the updated penalty matrix for the RCRA §7003 Penalty Policy as found in the "Guidance on the Use of Section 7003 of RCRA." This document can be found at: <http://www.epa.gov/compliance/resources/policies/cleanup/rcra/use-sec7003-mem.pdf>

On February 13, 2004, the Environmental Protection Agency published a final rule in the Federal Register entitled, "Civil Monetary Penalty Inflation Adjustment Rule" as mandated by the Debt Collection Improvement Act of 1996. The purpose of the rule was to adjust the maximum civil monetary penalties (CMP) to keep pace with inflation so that the CMPs maintain their deterrent effect. The rule took effect on March 15, 2004. On September 21, 2004, Acting Assistant Administrator Thomas Skinner issued a memorandum that further implemented the Civil Monetary Penalty Inflation Adjustment Rule. The memo increased the dollar figures in EPA's penalty matrices by 17.23%, which reflects the inflationary increase between June 1996 to June 2003, as measured by the Consumer Price Index for all urban consumers. It is important to keep in mind that the updated penalties are effective only for violations that occurred after March 14, 2004. For any violations that took place before March 14, 2004, the penalty matrix before the update should be used.

Any questions regarding penalty adjustment can be directed to Michael Northridge (202-564-4263) or Ben Bahk (202-564-4293) of my staff. General questions regarding RCRA §7003 should be directed to Ted Kim (202-564-1136) of my staff or Mary Andrews (202-564-4011) of the Office of Civil Enforcement.

cc: Bruce Gelber, EES, DOJ
John Michaud, RCRA/OGC
Mary Beth Gleaves, RCRA/OGC
Rosemarie Kelley, Director, RCRA/OCE/OECA
Pete Raack, RCRA/OCE/OECA
David Abdalla, SLPD/OCE/OECA
Matthew Hale, Director, OSW/OSWER
Bob Hall, PSPD/OSW/OSWER
Tom Rinehart, CAPB/OSW/OSWER

The following table replaces the table found on page 43 of the “Guidance on the Use of Section 7003 of RCRA.”

	Extent of Deviation			
		MAJOR	MODERATE	MINOR
Potential for Harm	MAJOR	\$6,500 to \$1,290	\$5,160 to \$965	\$3,870 to \$710
	MODERATE	\$2,835 to \$515	\$2,065 to \$320	\$1,290 to \$195
	MINOR	\$775 to \$130	\$385 to \$130	\$130

Note: According to the September 21, 2004 Skinner Memorandum, the final gravity-based portion of the penalty should be rounded to the nearest unit of \$100.