

- (c) * * *
 (1) * * *
 (iii) * * *

Note: If the care was rendered to a minor and a custodial parent or legal guardian requests information prior to the minor turning 18 years of age, medical records may still be released pursuant to the signature of the parent or guardian, and claims information may still be released to the parent or guardian in response to the request, even though the beneficiary has turned 18 between the time of the request and the response. However, any follow-up request or subsequent request from the parent or guardian, after the beneficiary turns 18 years of age, will necessitate the authorization of the beneficiary (or the beneficiary's legal guardian as appointed by a cognizant court), before records and information can be released to the parent or guardian.

- (2) * * *
 (i) * * *

(A) Certifies that the specific medical care listed on the claim form was, in fact, rendered to the specific beneficiary for which benefits are being claimed, on the specific date or dates indicated, at the level indicated and by the provider signing the claim unless the claim otherwise indicates another individual provided the care. For example, if the claim is signed by a psychiatrist and the care billed was rendered by a psychologist or licensed social worker, the claim must indicate both the name and profession of the individual who rendered the care.

- (i) * * *

(3) *Fraudulent billing.* Claims that are submitted to CHAMPUS that include a billing for services, supplies, or equipment not furnished, or used by, CHAMPUS beneficiaries will be denied in their entirety, regardless of the relative amount of the fraudulent billing compared to the total billings. Claims that have been CHAMPUS cost-shared that are retroactively audited or reviewed and are found to include fraudulent billings may be denied in part or in total based on the discretion of the Director, OCHAMPUS, or a designee.

5. Section 199.10 is amended by adding a note after paragraph (a)(2)(ii)(B).

§ 199.10 Appeal and hearing procedures.

- (a) * * *
 (2) * * *
 (ii) * * *
 (B) * * *

Note: The custodial parent or legal guardian (appointed by a cognizant court) of a minor beneficiary may initiate an appeal based on the above presumption. However,

should a minor beneficiary turn 18 years of age during the course of an appeal, then any further requests to appeal on behalf of the beneficiary must be from the beneficiary or pursuant to the written authorization of the beneficiary appointing a representative. For example, if the beneficiary is 17 years of age and the sponsor (who is a custodial parent) requests a formal review, absent written objection by the minor beneficiary, the sponsor is presumed to be acting on behalf of the minor beneficiary. Following the issuance of the formal review, the sponsor requests a hearing; however if, at the time of the request for a hearing, the beneficiary is 18 years of age or older, the request must either be by the beneficiary or the beneficiary must appoint a representative. The sponsor, in this example, could not pursue the request for hearing without being appointed by the beneficiary as the beneficiary's representative.

Dated: November 9, 1990.

L.M. Bynum,
*Alternate OSD Federal Register Liaison
 Officer, Department of Defense.*

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**ENVIRONMENTAL PROTECTION
 AGENCY**

40 CFR Part 435

[FRL 3863-1]

**Oil and Gas Extraction Point Source
 Category, Offshore Subcategory;
 Effluent Limitations Guidelines and
 New Source Performance Standards;
 Proposal**

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposal and reproposal.

SUMMARY: EPA is developing regulations under the Clean Water Act to establish effluent limitations guidelines based on the best available technology economically achievable (BAT) and best conventional pollutant control technology (BCT) and new source performance standards (NSPS) limiting discharges to waters of the United States from facilities in the oil and gas extraction point source category, offshore subcategory. This notice is an initial proposal and reproposal that presents the major regulatory options that the Agency is currently considering for control of drilling fluids, drill cuttings, produced water, deck drainage, produced sand, well treatment/workover fluids and domestic and sanitary wastes. EPA intends to issue a more detailed notice regarding this proposal by February 28, 1991.

DATES: The comment period for this notice will end on December 26, 1990.

Commenters may submit comments on this proposal either during the comment period for this notice or during the comment period for the more detailed notice. Commenters also may submit comments on both notices. A 30 day comment period will follow the publication of the more detailed notice referred to above.

FOR FURTHER INFORMATION CONTACT: Further information regarding this notice may be obtained from Marvin Rubin, Chief, Energy Branch, Industrial Technology Division (WH-552), Environmental Protection Agency, 401 M Street, SW., Washington, DC 20460; (202) 382-7124.

SUPPLEMENTARY INFORMATION:

Legal Authority

The regulations described in this notice are proposed under the authority of sections 301, 304, 306, 307 and 501 of the Clean Water Act (the Federal Water Pollution Control Act Amendments of 1972, as amended, 33 U.S.C. 1251, et seq.)

Proposal

EPA is developing effluent limitations guidelines and standards under the Clean Water Act for control of drilling fluids, drill cuttings, produced water, deck drainage, produced sand, well treatment/workover fluids and domestic and sanitary wastes based on the best available technology economically achievable (BAT) and best conventional pollutant control technology (BCT) and new source performance standards (NSPS). The Agency is issuing this notice in response to a Settlement Agreement approved on April 5, 1990 in *NRDC v. Reilly*, D.D.C. No. 79-3443 (JHP). Under the terms of that agreement, EPA is to propose or repropose BAT and BCT effluent limitations guidelines and new source performance standards for produced water, drilling fluids and drill cuttings, well treatment fluids and produced sand, as described at 50 FR 34595 (August 26, 1985), by November 16, 1990. EPA is to promulgate final guidelines and standards covering those wastestreams by June 19, 1992. In addition, EPA is to determine by November 16, 1990 whether to propose effluent limitations guidelines and new source performance standards covering domestic and sanitary wastes and, if it determines to do so, to promulgate final guidelines and standards covering those wastestreams by June 30, 1993.

EPA has determined that it is appropriate to propose effluent limitations guidelines and new source performance standards covering

domestic and sanitary wastes and has included such proposals in this notice. The Agency is using its best efforts to comply with the promulgation dates established in the Settlement Agreement and currently expects to meet them.

In 1979, EPA issued effluent limitations guidelines based on the best practicable control technology currently available (BPT) covering the offshore subcategory of the oil and gas extraction point source category. (40 CFR part 435, subpart A.) In addition, EPA has issued a series of general permits that set BAT and BCT limitations applicable to sources in the offshore subcategory on a Best Professional Judgment (BPJ) basis under 402(a)(1) of the Clean Water Act. See e.g., 51 FR 24897 (July 9, 1986) (Gulf of Mexico General Permit); 49 FR 23734 (June 7, 1984), modified 52 FR 36461 (September 29, 1987) (Bering and Beaufort Seas General Permit); 50 FR 23578 (June 4, 1985) (Norton Sound General Permit); 51 FR 35460 (October 3, 1986) (Cook Inlet/Gulf of Alaska General Permit); 53 FR 37846 (September 28, 1988), modified 54 FR 39574 (September 27, 1989) (Beaufort Sea II/Chuckchi Sea General Permit).

For a general account of prior notices issued in these rulemaking proceedings, a summary of the legal background relevant to this rulemaking and an overview of the industry see 50 FR 34592-5. EPA proposed BAT, BCT and NSPS for the offshore subcategory of the oil and gas extraction point source category in the *Federal Register* on August 26, 1985 (50 FR 34592) and published a development document for the proposal. Subsequently, EPA published a Notice of Data Availability and Request for Comments in the *Federal Register* on October 21, 1988 (53 FR 41356). The October 21, 1988 notice presented additional data related to the development of discharge limitations for drilling fluids and drill cuttings that the Agency received following the 1985 proposal.

Since 1988, the Agency has completed several studies and acquired new information pertaining to drilling fluids and drill cuttings, produced water and other wastestreams associated with offshore oil and gas extraction activities. These latest efforts have been directed toward examination of some of the BAT, BCT and NSPS options proposed in 1985 and also toward proposal of new options or variations of the previously proposed options that EPA has developed as a result of recent data review and analysis. The data gathering conducted since 1985 has focused on four areas: (1) Evaluation of variability in the results of the test method used to

measure the toxicity of drilling fluids; (2) the prohibition on diesel oil discharges for drilling fluids and drill cuttings; (3) the characteristics and treatment of produced waters; and (4) the characteristics and treatment of deck drainage, produced sand, well treatment/workover fluids and domestic and sanitary wastes.

The results of these and other studies have led the Agency to develop some regulatory options that are different from those proposed in 1985. The major additional options that EPA has developed, along with previously proposed options that are still being considered, are set forth below by wastestream.

I. Drilling Fluids and Drill Cuttings

Drilling fluids, or muds, are suspensions of solids and dissolved materials in a base of water or oil that are used in rotary drilling operations to lubricate and cool the drill bit, carry cuttings from the hole to the surface and maintain hydrostatic pressure down hole. Drill cuttings are particles cut from the formation in the well bore by the drill bit. See 50 FR 34598-34600. EPA is considering the following options for drilling fluids and cuttings at the BAT, BCT and NSPS levels of control:

5/3 All Structures

This option includes four provisions: a toxicity limitation set at 30,000 ppm in the suspended particulate phase; a prohibition on the discharge of diesel oil; a prohibition on the discharge of "free oil;" and limitations for cadmium and mercury in the stock barite (not in discharged drilling fluids) set at 5 mg/kg and 3 mg/kg, respectively. These discharge limitations would be applicable to all offshore structures regardless of their distance from shore. In the event that the mud system does not meet these discharge limitations, the requirements could be met through recycling/reuse of the mud system on the platform and/or transport to shore for land disposal of the spent mud system and associated cuttings.

1/1 All Structures

This option also includes four provisions. Like the preceding option, it would set a toxicity limitation at 30,000 ppm in the suspended particulate phase, would prohibit the discharge of diesel oil and would include a prohibition on the discharge "free oil." The fourth provision would set limitations for cadmium and mercury in the mud system (either drilling fluid or drill cuttings) at 1 mg/kg each for cadmium and mercury at the point of discharge. These discharge limitations would be

applicable to all offshore structures regardless of their distance from shore. In the event that the mud system does not meet these discharge limitations, the requirements could be met through recycling/reuse of the mud system on the platform and/or transport to shore for land disposal of the spent mud system and associated cuttings.

Zero Discharge Within Four Miles; 5/3 Beyond

This option differentiates between those structures located four miles or less from shore and those structures located more than four miles from shore. For structures located four miles or less from shore, there would be a zero discharge requirement for all drilling fluids and drill cuttings, which requirement could be met through recycle/reuse of the mud system on the platform and/or transport to shore for land disposal of the spent mud system and associated cuttings. For offshore structures located more than four miles from shore, there would be a toxicity limitation based on 30,000 ppm in the suspended particulate phase; a prohibition on the discharge of diesel oil; a prohibition on the discharge of "free oil" and a limitation on cadmium and mercury in the stock barite set at 5 mg/kg of cadmium and 3 mg/kg of mercury. These requirements could be met as described above.

Zero Discharge Within Four Miles; 1/1 Beyond

This option also differentiates between those structures located four miles or less from shore and those structures located more than four miles from shore. For structures located four miles or less from shore, there would be a zero discharge requirement that could be met either through recycle/reuse of the mud system and/or through transport to shore of the spent mud system and associated cuttings for land disposal. For structures located more than four miles from shore, there would be a toxicity limitation set at 30,000 ppm in the suspended particulate phase; a prohibition on the discharge of diesel oil; a prohibition on the discharge of "free oil" and a limitation on cadmium and mercury at the point of discharge set at 1 mg/kg of cadmium and 1 mg/kg of mercury that could be met as described above.

Zero Discharge All Structures

The requirements of this option could be met either through the recycle/reuse of drilling fluid from the mud system and/or through transport to shore for land disposal of the spent mud system

and associated cuttings. The zero discharge requirement would apply to all offshore structures regardless of their distance from shore.

The Agency is also considering variations on the options for control of drilling fluids and drill cuttings that would differentiate between structures on the basis of distances from shore other than four miles.

The Agency's preferred option for control of drilling fluids and drill cuttings is "Zero Discharge Within Four Miles; 1/1 Beyond" as described above. In addition, the Agency's preferred option for new wells offshore of Alaska is to require the "1/1 All" conditions described above for all wells (including wells within four miles of shore) because of special climate and safety conditions in Alaska that make the transport of drilling fluids and drill cuttings to shore by barging especially difficult and hazardous.

II. Produced Water

Produced water is water, brought up from the hydrocarbon-bearing strata with petroleum liquids and natural gas, that includes brine trapped with the oil and gas in the formation and water injected into the reservoir to increase productivity. See 50 FR 34598. EPA is considering the following options for produced water at the BAT, BCT and NSPS levels of control:

BPT All Structures

This option would require that all structures (regardless of their location) would be subject to the BPT limitations governing produced water that are currently in place. (40 CFR 435.12(b)).

Filter and Discharge Within Four Miles; BPT Beyond

This option differentiates between those structures that are located four miles or less from shore and those structures that are located more than four miles from shore. The limitations for structures located four miles or less from shore would be based on the use of filtration (granular media or membrane separation) technology as an add-on to the existing BPT technology. Those structures located more than four miles from shore would be subject only to the BPT limitations governing produced water that are currently in place. (40 CFR 435.12(b)).

Filter and Discharge All Structures

Under this option, the limitations for all offshore structures, regardless of their distance from shore, would be based on granular media or membrane separation filtration of the produced water prior to discharge.

Zero Discharge All Structures

This option would require that all structures regardless of their distance from shore meet the zero discharge requirement based on reinjection of produced water.

The Agency is also considering variations on the options for control of produced water that would differentiate between structures on the basis of (1) distances from shore other than four miles and (2) water depth rather than distance from shore. See 50 F.R. 34592, ff. (20 meter depth distinction).

The Agency's preferred option for control of produced water is "Filter and Discharge Within Four Miles; BPT Beyond" as described above.

III. Other Wastestreams

EPA is considering setting requirements for other wastestreams as follows:

(A) Deck drainage consists of platform and equipment runoff due to storm events and wastewater from platform and equipment washdown and cleaning. (See 50 FR 34600.) The options being considered for this wastestream would (1) establish requirements equal to the current BPT limits of no discharge of free oil (40 CFR 435.12(b)) where produced water filtration technology has not been installed (e.g., facilities where drilling only is occurring) or (2) would establish requirements equal to any of the options identified above for the produced water wastestream for facilities that have produced water filtration technology installed.

(B) Produced sand consists of particulate material (sand) from the producing formation that comes to the surface along with the crude oil and/or gas and produced water and is separated by the produced water desander (settling/screening device) and treatment system. (See 50 FR 34600.) This wastestream would also include sludges generated by any chemical polymers used in the filtration portion of the produced water treatment system. The two options being considered for this wastestream would (1) establish requirements equal to no discharge of free oil or (2) would require zero discharge.

(C) Well treatment/workover fluids consist of fluids used down hole in drilling operations or during production. These wastes either stay in the hole or come up with drilling fluids and drill cuttings or with produced water. See 50 FR 34600. The three options being considered for these wastes would (1) establish requirements equal to the current BPT limit of no discharge of free oil (40 CFR 435.12(b)); (2) require zero

discharge of a 100-barrel buffer on both sides of the well treatment/workover fluids; or (3) would establish requirements equal to any of the options identified above for the produced water wastestream for well treatment and workover fluids generated during production operations.

(D) Domestic and sanitary wastes consist of kitchen, laundry and human wastes. (See 50 FR 34600.) The options being considered for these wastes are (1) maintaining the BPT level of control of "no discharge of floating solids" that is currently applicable to domestic wastes (40 CFR § 435.12(b)) and residual chlorine requirements; or (2) incorporating additional requirements based on current permit conditions that control foam.

The Agency's preferred options for control of these wastestreams are (1) that deck drainage be subject to the same limitations as produced water during production operations and to requirements equal to the current BPT limits where filtration technology for produced water has not been installed; (2) that zero discharge be required for produced sand; (3) that zero discharge be required for well treatment/workover fluids and a 100 barrel buffer on both sides of the well treatment/workover fluids, and for those fluids that can not be segregated from the produced water, the produced water limitations would apply; and (4) that BPT, plus conditions that would control foam, be required for domestic and sanitary wastes.

On or before February 28, 1991, EPA intends to issue another, more detailed notice. That notice will further explain the options that are under consideration and will present technical, economic, environmental and other data relating to those options. That notice also may present further regulatory options. A 30 day public comment period will follow that notice.

Dated: November 16, 1990.

William K. Reilly,

Administrator.

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FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 73

[MM Docket No. 90-568, RM-7476]

Radio Broadcasting Services; Barbourville, KY

AGENCY: Federal Communications Commission.