

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

October 14, 1997

Honorable Virgil H. Goode
House of Representatives
Washington, DC 20515-4605

Dear Congressman Goode:

This is in response to your letter of September 12, 1997 regarding title V permit fees. Thank you for forwarding a copy of a letter to you from Mr. Ed Brammer, Chief Executive Officer of Multitrade Group, Inc. In his letter, Mr. Brammer suggested that title V permitting fees from companies such as his be escrowed and then used to install pollution control equipment, rather than be used for administrative purposes. Mr. Brammer further suggests that using title V fees in this manner would result in actual reductions of air-emissions, whereas fees used to support various administrative duties do not.

It is important to note that section 502(b)(3) of the Clean Air Act (Act) requires the collection of fees in order to cover all reasonable direct and indirect costs required to develop and administer title V permit program requirements. Thus, the title V program is a funded mandate which State and local permitting authorities administer through the use of fees collected from sources such as Multitrade Group, Inc. Title V does not authorize the collection of fees in excess of what is needed to fund a permitting authority's operating permits program.

It is also important to emphasize that fees collected from title V sources aid in the reduction of air emissions. As you know, under a title V program, sources submit applications which include all requirements to which they are subject under the Act. In the process of compiling these requirements, many sources have identified requirements of which they were unaware (60-70 percent of sources as reported by permitting authorities) or with which they have been found to be out of compliance. Sources must certify compliance with these requirements initially and then annually. In addition, the title V permit may improve compliance with these requirements by specifying periodic monitoring where the underlying requirement does not provide it. It has been the Environmental Protection Agency's experience that "administrative" processes such as these have resulted in the reduction of air emissions, as companies rectify past noncompliance or improve ongoing compliance through better monitoring. These emissions

reductions may be possible without installing any additional pollution control equipment beyond what the Act requires. If the emissions reductions associated with improving compliance are commensurate with the levels of noncompliance being reported, this could lead to a State or locality needing less regulation to bring various areas into attainment with the national ambient air quality standards.

I appreciate this opportunity to be of service and trust that this information will be helpful to you.

Sincerely,

John S. Seitz
Director
Office of Air Quality Planning
and Standards