



Office of Inspector General U.S. Environmental Protection Agency **At a Glance**

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Why We Did This Evaluation

The U.S. Environmental Protection Agency's Office of Inspector General conducted this evaluation to determine the extent to which the EPA has conducted evaluations of state and local Title V programs and has identified insufficient collection or misuse of fees.

The Title V permit program requires certain sources of air pollution to obtain permits. These permits help to ensure that such sources comply with environmental regulations. The Clean Air Act requires each entity implementing a Title V program, also known as a *permitting authority*, to collect fees from Title V sources sufficient to fund all reasonable Title V program costs. These fees cannot be used to pay for non-Title V activities.

To ensure that the programs are implemented correctly, EPA regions conduct Title V evaluations to determine whether permitting authorities are complying with applicable statutory and regulatory requirements.

This evaluation supports an EPA mission-related effort:

- *Improving air quality.*

This evaluation addresses a top EPA [management challenge](#):

- *Mitigating the causes and adapting to the impacts of climate change.*

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EPA's Title V Program Needs to Address Ongoing Fee Issues and Improve Oversight

What We Found

EPA regions generally met their goal to conduct one Title V program evaluation per year. As part of a larger program evaluation or as a separate fee evaluation, each region reviews Title V fees to determine whether the collection of fees meets the applicable statutory and regulatory requirements.

Lack of consistent oversight and persistent Title V fee challenges may undermine Title V program implementation.

We interviewed EPA staff and managers and reviewed reports for 31 EPA Title V fee and program evaluations conducted from 2018 through 2020 to assess the extent of the EPA's fee oversight activities. The EPA noted concerns about the decline of Title V program revenue and the use of non-Title V revenue to fund Title V programs. Nine (or 90 percent) of the ten EPA regions cited declining revenues as a key challenge that permitting authorities were facing. Further, some regions reported having had excess Title V funds diverted by state legislatures for purposes not related to the Title V program, such as eliminating a deficit in the state budget.

The extent to which EPA regions reviewed Title V fees varied significantly. In response to OIG Report No. [2015-P-0006](#), issued October 2014, the EPA issued guidance in 2018 to the regions on conducting fee evaluations; however, the guidance was discretionary. In addition, it did not clarify when to conduct fee evaluations or establish a minimum standard of review for fee evaluations. For example, some regions conducted fee evaluations that reviewed financial data, while others relied solely on a few fee-related questions. EPA staff lacked awareness of Title V fee requirements and resources to conduct these evaluations. Insufficient and misused Title V fees may lead to unsustainable Title V programs with such adverse outcomes as permit backlogs and staffing issues. The EPA's ability to ensure that Title V facilities comply with Clean Air Act regulations is hindered by not addressing these problems.

Recommendations and Planned Agency Corrective Actions

We recommend that the assistant administrator for Air and Radiation coordinate with EPA regions to provide recurring training to permitting authorities on Title V fee laws and regulations; develop and implement a plan to address declining Title V revenues; update the 2018 guidance to establish time frames for completing corrective actions; and establish criteria for when regions must conduct fee evaluations, train EPA regional staff on the updated fee guidance, and collaborate with regional staff to identify the regional resources and expertise necessary to conduct fee evaluations. The Agency agreed with our findings and proposed corrective actions for all six of our recommendations. Recommendations 1, 3, 4, and 5 are resolved with corrective actions pending. The Agency's planned corrective actions for Recommendations 2 and 6 did not meet the intent of our recommendations, which remain unresolved.