




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

THE INSPECTOR GENERAL

July 6, 2011

MEMORANDUM

SUBJECT: Agency-Wide Application of Region 7 NPDES Program
Process Improvements Could Increase EPA Efficiency
Report No. 11-P-0315

FROM: Arthur A. Elkins, Jr. 
Inspector General

TO: Bob Perciasepe
Deputy Administrator

This is our report on the subject audit conducted by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. This report represents the opinion of the OIG and does not necessarily represent the final EPA position. Final determinations on matters in this report will be made by EPA managers in accordance with established audit resolution procedures.

The estimated direct labor and travel costs for this report are \$346,100.

Action Required

In accordance with EPA Manual 2750, you are required to provide a written response to this report within 90 calendar days. You should include a corrective action plan for agreed-upon actions, including milestone dates. Your response will be posted on the OIG's public website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public; if your response contains such data, you should identify the data for redaction or removal. We have no objections to the further release of this report to the public. We will post this report to our website at <http://www.epa.gov/oig>.

If you or your staff have any questions regarding this report, please contact Melissa Heist, Assistant Inspector General, at (202) 566-0899 or heist.melissa@epa.gov; or Richard Eyer mann at (202) 566-0565 or eyer mann.richard@epa.gov.



Correspondence Management System

Control Number: AX-11-001-0863

Printing Date: July 07, 2011 02:46:21



Citizen Information

Citizen/Originator: **Elkins, Arthur A**

Organization: U.S. Environmental Protection Agency
Address: 1200 Pennsylvania Avenue, NW, Washington, DC 20460

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number:	AX-11-001-0863	Alternate Number:	N/A
Status:	For Your Information	Closed Date:	N/A
Due Date:	N/A	# of Extensions:	0
Letter Date:	Jul 6, 2011	Received Date:	Jul 7, 2011
Addressee:	AD-Administrator	Addressee Org:	EPA
Contact Type:	LTR (Letter)	Priority Code:	Normal
Signature:	N/A	Signature Date:	N/A
File Code:	401_127_a General Correspondence Files Record copy		
Subject:	Daily Reading File-Closeout Report OIG No. 10-P-0224, EPA should Revise Outdated or Inconsistent EPA-State Clean Water Act Memoranda of Agreement, September 14, 2010		
Instructions:	For Your Information -- No action required		
Instruction Note:	N/A		
General Notes:	N/A		
CC:	Linda Huffman - OECA OEAE - Office of External Affairs and Environmental Education OECA - OECA -- Immediate Office OW - Office of Water -- Immediate Office		

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
No Record Found.					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
(b) (6) Personal Privacy	OEX	AO-IO	Jul 7, 2011

History

Action By	Office	Action	Date
(b) (6) Personal Privacy	OEX	Forward control to AO-IO	Jul 7, 2011



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

RECEIVED

2011 JUL -7 PM 1:47

JUL 16 2011

OFFICE OF THE
EXECUTIVE SECRETARIAT
THE INSPECTOR GENERAL

MEMORANDUM

SUBJECT: Closeout of Report OIG No. 10-P-0224, *EPA Should Revise Outdated or Inconsistent EPA-State Clean Water Act Memoranda of Agreement*, September 14, 2010

TO: Bob Perciasepe, Deputy Administrator
Office of the Administrator

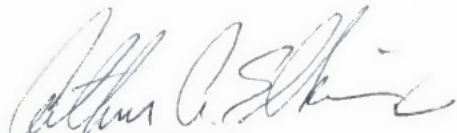
Cynthia Giles, Assistant Administrator
Office of Enforcement and Compliance Assurance

Nancy Stoner, Acting Assistant Administrator
Office of Water

Thank you for your response of June 16, 2011, to our subject report. We accept your proposed actions, as we believe that they meet the intent of the recommendations contained in our report.

As a reminder, we anticipate receiving regular updates of your corrective actions, and also a notification when the corrective action plan has been completed and the assignment has been inactivated on MATS. We also expect that your office will notify us in the event of any significant revisions to the agreed-upon corrective actions or milestone dates, as stipulated in EPA Manual 2750. The attachment provides details of the agreed-upon corrective actions.

If you or your staff have any questions regarding this memo, please contact Wade Najjum, Assistant Inspector General for the Office of Program Evaluation, at (202) 566-0827, or Dan Engelberg at (202) 566-0830.


Arthur A. Elkins, Jr.

Attachment

cc: Michael Shapiro, Office of Water
Catherine McCabe, Office of Enforcement and Compliance Assurance
Nena Shaw, Office of the Administrator
Lisa Lund, Office of Enforcement and Compliance Assurance
Randy Hill, Office of Water
Marilyn Ramos, Office of Water
Michael Mason, Office of Water
Gwendolyn Spriggs, Office of Enforcement and Compliance Assurance
Wade Najjum, Office of Inspector General
Elizabeth Grossman, Office of Inspector General
Dan Engelberg, Office of Inspector General
Kathlene Butler, Office of Inspector General
Kevin Chaffin, Office of Inspector General

Corrective Action Plan

Lead Program Office(s)	Corrective Action	Due Date	Corrective Action
OECA and OW	2-1	9/30/11 12/31/11	Develop a national MOA template.
OECA and OW	2-2	7/31/11 3/31/12	Establish criteria to identify and prioritize MOAs that present the greatest barriers to state performance and need to be updated and renegotiated.
OECA and OW	2-2, 2-3	12/31/11 3/31/12	Incorporate into regular NPDES program reviews a systematic approach to identify and review problematic MOAs based on the established criteria.
OECA and OW	2-2	4/1/12 4/1/12	Begin review of problematic MOAs as part of the regular and periodic NPDES review process, using the new MOA template.
OECA and OW	2-2	9/30/17	<i>Using the tracking system, verify that MOAs identified during the first four-year round of integrated permitting and enforcement reviews are updated.</i>
OW	2-4	6/30/11 12/31/11	Develop a system to maintain a publicly available repository of MOAs.

Attachment

Status of Corrective Action Plan in Response to Inspector General Report "EPA Lacks Internal Controls to Prevent Misuse of Emergency Drinking Water Facilities"

Planned Completion Date all actions: December 31, 2011

- Rec. 1:** Develop standard definitions for the five facility availability codes (permanent, seasonal, emergency, interim, and other).

CA 1-1:

EPA is working with state representatives to develop standard definitions for facility availability codes in SDWIS.

- Rec. 2:** Develop standard operating procedures that follow EPA reporting requirements to assist the States with entering data into SDWIS/State databases.

CA 2-1:

Standard operating procedures are already developed, and will be adjusted, as necessary, based on recommendations of the workgroup identified under Recommendation 1.

- Rec. 3:** Review the additional information included in State drinking water databases and, if appropriate, add fields to SDWIS/FED to improve the oversight of emergency facilities.

CA 3-1:

EPA is undergoing a comprehensive review of SDWIS/FED and SDWIS/State as we develop the next generation of SDWIS. Based on the recommendations of the EPA-State workgroup looking at the facility availability codes, we will request that the EPA-State Data Technical Advisory Committee review the SDWIS-Fed data fields to determine whether further changes would be useful in providing oversight of emergency facilities. These changes would be incorporated into the revised SDWIS.

- Rec. 4:** Assess the risk associated with the unauthorized use of emergency facilities and, if necessary, develop controls to mitigate that risk.

CA 4-1:

We have begun discussions with state representatives on this issue. We continue to believe that it will be very challenging to make any national or state assessment of health risk from emergency wells, since risk assumes exposure to a known contaminant. To ensure that emergency wells are reviewed on an individual and recurring basis, we will issue guidance to States regarding reviewing emergency sources as part of State oversight programs, including sanitary surveys. This guidance will clarify that emergency sources should be reviewed on a recurring basis as part of routine State oversight, and that the review include an assessment of the current status of the source and the monitoring required for the source.



Correspondence Management System

Control Number: AX-11-001-0871

Printing Date: July 07, 2011 03:46:39



Citizen Information

Citizen/Originator: Nolen, Janice E.

Organization: American Lung Association

Address: 1301 Pennsylvania Avenue, NW, Washington, DC 20004-1725

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-0871

Alternate Number: N/A

Status: For Your Information

Closed Date: N/A

Due Date: N/A

of Extensions: 0

Letter Date: Jul 7, 2011

Received Date: Jul 7, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: EML (E-Mail)

Priority Code: Normal

Signature: SNR-Signature Not Required

Signature Date: N/A

File Code: 401_127_a General Correspondence Files Record copy

Subject: Daily Reading File- Statement from the American Lung Association on the Cross-States Air Pollution Rule

Instructions: For Your Information -- No action required

Instruction Note: N/A

General Notes: N/A

CC: N/A

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
No Record Found.					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
(b) (6) Personal Privacy	OEX	OAR	Jul 7, 2011

History

Action By	Office	Action	Date
(b) (6) Personal Privacy	OEX	Forward control to OAR	Jul 7, 2011

Comments

Message Information

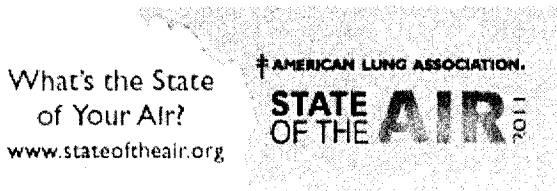
Date 07/07/2011 12:38 PM
From Janice Nolen <JNolen@lungusa.org>
To LisaP Jackson/DC/USEPA/US@EPA; Bob Perciasepe/DC/USEPA/US@EPA;
Gina McCarthy/DC/USEPA/US@EPA
Janet McCabe/DC/USEPA/US@EPA; Joseph Goffman/DC/USEPA/US@EPA;
cc Paul Billings <PBillings@lungusa.org>; Peter Iwanowicz
<PIwanowicz@lungusa.org>
Subject Statement from the American Lung Association on the Cross-States Air
Pollution Rule

Message Body

Please see the attached statement from the American Lung Association on the rule. If you have questions, please let Peter Iwanowicz or me know.

Thank you,
Janice

Janice E. Nolen
Assistant Vice President, National Policy and Advocacy
American Lung Association
1301 Pennsylvania Ave NW Suite 800
Washington, DC 20004-1725
P 202.785.3355 C 202.486.0285 F 202.452.1805
jnolen@lungusa.org @lungassociation



Cross-State Air Pollution Rule Statement Al Rizzo 7.7.2011.pdf

OEX Processing Information

Processed Date:

Processed By

PO Office

Category:

PRESS RELEASE



FOR IMMEDIATE RELEASE
July 7, 2011

CONTACT
Mary Havell
202-715-3459; mhavell@lungusa.org
Cosabeth Bullock
202-478-6128; cbullock@mrss.com

Cross-State Air Pollution Rule Will Save Lives, Protect Public from Out-of-State Pollution

WASHINGTON, DC— Albert A. Rizzo, MD, National Volunteer Chair of the American Lung Association, and a pulmonary and critical care physician in Newark, Delaware, released the following statement today in response to the Environmental Protection Agency's (EPA) announcement of the Cross-State Air Pollution Rule, designed to limit the spread of dangerous pollutants across state lines.

“Today’s finalization of the Cross-State Air Pollution Rule is a vital component of the EPA’s effort to protect the health of millions of Americans who live downwind of power plants that belch out life-threatening pollution. This rule makes power plants behave like ‘good neighbors’ by cutting their pollution that spreads across the border of 28 eastern states. For too long, soot and smog pollution have traveled far from their sources impacting public health.

“States cannot protect their citizens from pollution that blows in from neighboring states without a strong Clean Air Act and vigorous enforcement of the law by EPA. Thanks to this step, coal-fired power plants will have to install new equipment that will reduce millions of tons of sulfur dioxide and nitrogen dioxide emissions. These noxious gases are harmful themselves, and also contribute to the formation of ozone smog and fine particles (soot).

“Inhaling smog and soot can worsen chronic health problems including lung disease and heart complications, result in premature death, and can spark asthma attacks. This rule will save up to 34,000 lives each year and prevent over 400,000 asthma attacks, 19,000 admissions to the hospital or emergency department and 15,000 nonfatal heart attacks. The American Lung Association urges power companies to begin to clean up their emissions immediately.”

###

About the American Lung Association

Now in its second century, the American Lung Association is the leading organization working

to save lives by improving lung health and preventing lung disease. With your generous support, the American Lung Association is “Fighting for Air” through research, education and advocacy. For more information about the American Lung Association, a Charity Navigator Four Star Charity and holder of the Better Business Bureau Wise Giving Guide Seal, or to support the work it does, call 1-800-LUNG-USA (1-800-586-4872) or visit www.LungUSA.org.

American Lung Association • 1301 Pennsylvania Ave., NW • Washington, DC 20004-1725
1-800-LUNG-USA (1-800-586-4872) • www.LungUSA.org



Correspondence Management System

Control Number: AX-11-001-2865

Printing Date: August 01, 2011 04:19:55



Citizen Information

Citizen/Originator: **McElya, Jim**

Organization: CooperStandard
Address: 39550 Orchard Hill Place Drive, Novi, MI 48375

Constituent: N/A

Committee: N/A Sub-Committee: N/A

Control Information

Control Number: AX-11-001-2865 **Alternate Number:** N/A
Status: Pending **Closed Date:** N/A
Due Date: Aug 16, 2011 **# of Extensions:** 0
Letter Date: Jul 22, 2011 **Received Date:** Aug 1, 2011
Addressee: AD-Administrator **Addressee Org:** EPA
Contact Type: LTR (Letter) **Priority Code:** Normal
Signature: DX-Direct Reply **Signature Date:** N/A
File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.
Subject: DRF- National Fuel Economy Standards
Instructions: DX-Respond directly to this citizen's questions, statements, or concerns
Instruction Note: N/A
General Notes: N/A
CC: OARM - OARM -- Immediate Office
OEAE - Office of External Affairs and Environmental Education
OP - Office of Policy
OSBP - Office of Small Business Programs
R5 - Region 5 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 1, 2011	Aug 16, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History



World Headquarters

July 22, 2011

The Honorable Ray LaHood
Secretary
Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Lisa Jackson
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20004

RECEIVED
2011 AUG - 1 PM 3:11
OFFICE OF THE
EXECUTIVE SECRETARIAT

Dear Secretary LaHood and Administrator Jackson:

As a leading global supplier of automotive systems and components with more than 4,500 U.S. employees, our economic vitality relies heavily on the success of the automobile industry. Given that your agencies are now developing national fuel economy standards for 2017-2025, we wanted to share our views.

We are concerned that your agencies are going down a regulatory path on fuel economy that will result in large job losses and other harmful costs to the economy. We encourage NHTSA and EPA to adopt a single, national fuel economy standard that considers America's needs for increased fuel economy while preserving affordable choices for customers and businesses to meet their transportation needs. NHTSA and EPA have already set strong standards for 2012-2016 that raised the fleet average by 40% to 35 miles per gallon. Looking forward, technology improvements should continue to support increases in fuel economy and greenhouse gas standards. However, we recognize that overreaching regulations can place a significant cost burden on individuals, families and businesses such as ours.

The next phase of fuel economy standards for 2017-2025 should not pick winners and losers, but should support a variety of technologies and fuel diversity to preserve affordability. If fuel economy standards increase too quickly, resulting in more expensive vehicles, many consumers can be expected to hold on to their older vehicles longer and defer buying a new car, which could put jobs across the country at risk.

Job preservation is our priority, and we hope that you will consider in your rulemaking what is at stake for our business. The cost of overreaching is the loss of our business's competitiveness and profitability. We encourage you to carefully balance these factors as you weigh sensible fuel economy standards, especially as our nation's economy continues to recover.

Sincerely,

Jim McElya
Chairman and CEO
Cooper Standard

CC:
Hon. M. Stutzman, Hon. G. Peters, Hon. R. Latta, Hon. D. Benishek, Hon. G. Butterfield, Hon. M. Rogers,
Hon. B. Chandler, Hon. S. Austria, Hon. T. McCotter, Hon. W. Jones Jr., Hon. J. Duncan Jr., Hon. T. Gowdy,
Hon. P. Roe M.D., Hon. R. Lugar, Hon. D. Coats, Hon. M. McConnell, Hon. R. Paul, Hon. C. Levin,
Hon. D. Stabenow, Hon. R. Burr, Hon. K. Hagan, Hon. S. Brown, Hon. R. Portman, Hon. L. Graham,
Hon. J. DeMint, Hon. L. Alexander and Hon. B. Corker



Correspondence Management System

Control Number: AX-11-001-2796

Printing Date: August 01, 2011 12:43:38



Citizen Information

Citizen/Originator: Yokozawa, Yoichi

Organization: Mitsubishi Motors North America Incorporated

Address: 6400 Katella Avenue, Cypress, CA 90630

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-2796

Alternate Number: 1Z V95 230 01 4312 9627

Status: Pending

Closed Date: N/A

Due Date: Aug 15, 2011

of Extensions: 0

Letter Date: Jul 27, 2011

Received Date: Aug 1, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: LTR (Letter)

Priority Code: Normal

Signature: DX-Direct Reply

Signature Date: N/A

File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.

Subject: Daily Reading File DOT and EPA developing national fuel economy standards for 2017-2025 share views.

Instructions: DX-Respond directly to this citizen's questions, statements, or concerns

Instruction Note: N/A

General Notes: N/A

CC: OEAE - Office of External Affairs and Environmental Education

OP - Office of Policy

OSBP - Office of Small Business Programs

R9 - Region 9 - Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 1, 2011	Aug 15, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History



Mitsubishi Motors North America, Inc.

YOICHI YOKOZAWA
PRESIDENT AND CEO

6400 Katella Avenue
Cypress, CA 90630
(714) 372-6000
(714) 373-1010 (Fax)
mitsubishicars.com

July 27, 2011

The Honorable Ray LaHood
Secretary
U.S. Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Lisa Jackson
Administrator
Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460

2011 AUG - 1 AM 5: 51
OFFICE OF THE
EXECUTIVE SECRETARIAT
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Dear Secretary LaHood and Administrator Jackson,

Mitsubishi Motors North America, Inc. recognizes the benefit for the country of continuing the historic National Program to address fuel economy and greenhouse gases that the Environmental Protection Agency (EPA) and the National Highway Traffic Safety Administration (NHTSA) began in 2009 with the standards for model years 2012 through 2016, and that those agencies are continuing for model years 2017 through 2025.

Mitsubishi Motors North America, Inc. fully supports proposal and adoption of a continued National Program. We understand that the continued National Program will be subject to full notice-and-comment rulemaking, affording all interested parties, including Mitsubishi Motors North America, Inc., the right to participate fully, comment, and submit information, the results of which are not pre-determined but depend upon processes set by law. Mitsubishi Motors North America, Inc. welcomes the opportunity to be a partner in helping to advance a continued, harmonized National Program.

Mitsubishi Motors North America, Inc. believes that the robust and comprehensive mid-term evaluation described by EPA and NHTSA in the [July 2011] Supplemental Notice of Intent is critical, given Mitsubishi Motors North America, Inc.'s view of the uncertainty associated with the model years 2022-2025 standards. Although Mitsubishi Motors North America, Inc. may not have full knowledge about the evolution and cost of technologies necessary to meet these standards, particularly in 2022-2025, the mid-term evaluation provides a basis for Mitsubishi Motors North America, Inc.'s support for adoption of standards for model years that far into the future.

Mitsubishi Motors North America, Inc. also commits to working with EPA and NHTSA, the states, and other stakeholders to help our country address the need to reduce dependence on oil, to save consumers money, and to ensure regulatory predictability and certainty by developing this kind of strong, coordinated National Program.

In order to promote the adoption of the continued National Program, Mitsubishi Motors North America, Inc. commits to take the following actions, subject to the understandings described below.

- (1) Mitsubishi Motors North America, Inc. commits not to contest the final standards established by this rulemaking and by California for MYs 2017 through 2025 if:
 - a. EPA proposes national GHG standards and NHTSA proposes CAFE standards for MYs 2017-2025 as substantially described in the [July 2011] Supplemental Notice of Intent to conduct rulemaking, and if the agencies adopt standards as substantially proposed.
 - b. California adopts standards on GHG emissions from new motor vehicles for MYs 2017 through 2025 such that compliance with the GHG emissions standards adopted by EPA shall be deemed compliance with the California GHG emissions standards, in a manner that is binding on states that adopt and enforce California's GHG standards under Clean Air Act (CAA) section 177.
- (2) Mitsubishi Motors North America, Inc. reserves all right to contest final actions taken or not taken by EPA, NHTSA, and CARB as part of the mid-term evaluation.
- (3) Mitsubishi Motors North America, Inc. commits that it will not contest final actions taken or not taken by EPA granting California's future request for a waiver of preemption under section 209 of the CAA for its GHG emissions standards for motor vehicles for MYs 2017-2025, if California revises its regulations as described above in (1)(b), but this does not apply to subsequent amendments California may make in response to the midterm evaluation.
- (4) Mitsubishi Motors North America, Inc. will use its best efforts to ensure that the trade association(s) to which Mitsubishi Motors North America, Inc. belongs will not contest the actions discussed in (1) and (3) above.

Sincerely,



Yoichi Yokozawa
President and CEO
Mitsubishi Motors North America, Inc.



Correspondence Management System

Control Number: AX-11-001-2827

Printing Date: August 01, 2011 03:16:57



Citizen Information

Citizen/Originator: Smith, Christe

Organization: City of Port Arthur, Texas
Address: P.O. Box 1089, Port Arthur, TX 77641-1089

Prince, Deloris

Organization: City of Port Arthur, Texas
Address: P.O. Box 1089, Port Arthur, TX 77641-1089

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number:	AX-11-001-2827	Alternate Number:	N/A
Status:	For Your Information	Closed Date:	N/A
Due Date:	N/A	# of Extensions:	0
Letter Date:	Jul 28, 2011	Received Date:	Aug 1, 2011
Addressee:	AD-Administrator	Addressee Org:	EPA
Contact Type:	EML (E-Mail)	Priority Code:	Normal
Signature:	SNR-Signature Not Required	Signature Date:	N/A
File Code:	401_167_a Transitory Files Record copy		
Subject:	SCH001-Scheduling Request - Meeting - Port Arthur's Environmental Justice Plan; DRF- Port Arthur Environmental Justice Initiative Projects		
Instructions:	For Your Information -- No action required		
Instruction Note:	N/A		
General Notes:	Event Date: N/A Location: Washington, DC Contact: Christe Smith, (409) 983-8115, mayorsec@portarthur.net,		
CC:	Linda Huffman - OECA Lisa Garcia - OECA-OEJ Noah Dubin - OEX OCIR - Office of Congressional and Intergovernmental Relations OEAE - Office of External Affairs and Environmental Education OECA - OECA -- Immediate Office		

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
No Record Found.					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
(b) (6) Personal Privacy	OEX	Noah Dubin	Aug 1, 2011

DELORIS "BOBBIE" PRINCE, MAYOR
MORRIS ALBRIGHT, III, MAYOR PRO TEM

COUNCIL MEMBERS:
JACK CHATMAN, JR.
ELIZABETH "LIZ" SEGLER
MARTIN FLOOD
JOHN BEARD, JR.
ROBERT E. WILLIAMSON
D. KAY WISE
THOMAS J. HENDERSON



STEPHEN FITZGIBBONS
CITY MANAGER

TERRI HANKS
CITY SECRETARY

VAL TIZENO
CITY ATTORNEY

July 26, 2011

The Honorable Lisa Jackson
Administrator
United States Environmental Protection Agency
Mail Code 101A
Ariel Ross Building
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Dear Administrator Jackson:

Port Arthur citizens and leaders have worked very hard in a collaborative manner over the past year to assure that your designation of this city as an Environmental Justice (EJ) Showcase Community would be a remarkable success. We began our efforts last November in cooperation with Dr. Armendariz and his capable staff at EPA Region 6, with a 2-day EJ Summit in Port Arthur.

This historic event brought together more than 150 leaders from the government, EJ community, business, industry, health care, housing, education, job training and placement and economic development sectors to identify the priorities that we should focus on through the EJ Initiative. We agreed at the summit to focus our attention on six key areas: environmental quality and emergency response, unemployment and skill development, housing, downtown and Westside revitalization, community health and energy efficiency. A broad based workgroup was established around each of these issues to identify and develop a set of projects which could be realistically undertaken to improve the quality of life of Port Arthur residents, especially those who live in the western part of the city.

The workgroups have completed their work and have developed 25 projects for implementation as outlined in the attachment. We are committed to implementing these projects over the next 2-3 years. As noted above, we have worked very closely with your staff in Region 6 in developing Port Arthur's EJ Plan. We need your assistance to assure that our collective efforts succeed. As Mayor of the City of Port Arthur, I respectfully request your assistance in scheduling, and of course your participation, in three key meetings in Washington, D.C., within the next six weeks as outlined below:

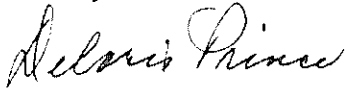
1. A meeting with you and appropriate members of your staff to brief you on Port Arthur's EJ Plan and discuss the actions the EPA may take over the next 2-3 years to assure effective implementation of this Plan;
2. A meeting with Secretary Donovan of the Department of Housing and Urban Development (HUD) to discuss the financial support this agency may provide to ensure the replacement of the Carver Terrace Public Housing Project, and the provision of replacement housing for approximately 40 families who live in an area where HUD has prohibited the use of federal funds for any type of housing improvements; and

3. A meeting with Secretary Solis of the Department of Labor (DOL) to specifically discuss any assistance this agency may provide Port Arthur to assist in the implementation of a comprehensive plan to assure genuine progress in tackling Port Arthur's persistently high levels of unemployment.

Madame Administrator, we really need your help to effectively implement the comprehensive EJ Plan that Port Arthur citizens and leaders have developed, in partnership with your staff in Region 6. I am optimistic that you will provide us your full support and assistance.

Thank you for your attention to these matters. I really appreciate the strong support you are providing the City of Port Arthur. I look forward to hearing from you in the very near future.

Sincerely,



Deloris Prince, Mayor
City of Port Arthur

cc: Dr. Al Armendariz, EPA Region 6 Administrator

Attachment

**Port Arthur Environmental
Justice Initiative:**

Potential Projects

Environmental Quality & Emergency Response Workgroup

MISSION: Develop strategies and approaches to further improve Port Arthur's environmental quality and to increase Port Arthur residents' awareness of the area's environmental issues and improvements, and emergency response plan.

1. The EPA's Environmental Profile of Port Arthur
2. Emergency Response Enhancements
3. PAIG Companies' Sustainable Development Plans
4. Pipeline Inventory and Public Awareness

Unemployment and Skill Development Workgroup

MISSION: Develop a comprehensive strategy to effectively address Port Arthur's unemployment and skill development challenges.

1. Workforce Intelligence Database (\$600,000)
2. The Port Arthur Workforce Collaborative and Partnership
3. The Job Training and Placement Initiative (\$3-5 million)

Downtown, Westside and Housing Effort

HOUSING WORKGROUP MISSION: Improve housing opportunities for Port Arthur residents, particularly those who live on the Westside.

DOWNTOWN & WESTSIDE REVITALIZATION WORKGROUP MISSION: Facilitate economic development and community improvements in Downtown Port Arthur and in the City's Westside.

1. Westside Health Clinic (\$1.2 million)
2. Carver Terrace Replacement (\$30 million)
3. The Herget-Foley Streets Replacement Housing Project (\$4-5 million)
4. Hurricane Replacement Housing (\$4-7 million)
5. Westside Community Center (\$5-10 million)
6. Carver Terrace Greenbelt (\$4 million)
7. Westside Commercial Center with Parking (\$1.5-2 million)
8. EDC Office Building (\$3.4 million)
9. Port Arthur Housing Authority's Office Building (\$4-6 million)
10. Lamar Port Arthur's Student Housing (\$4-6 million)
11. Downtown-Westside Industrial District (\$10 million)
12. The Downtown Pavilion (\$600,000)
13. The Waterfront Feasibility Study Project (\$30,000)
14. The Westside Warehousing and Packaging Project (\$5-10 million)

Community Health Workgroup

MISSION: Provide improved health services to Port Arthur residents.

1. The Port Arthur Community Health Initiative
2. The EPA Healthy Homes Project
3. The Westside Health Clinic, as outlined above

Energy Efficiency Workgroup

MISSION: Obtain additional funding from state and federal agencies to install energy efficiency improvements in 200-300 homes of low income families in Port Arthur, Texas over the next two to three years.

1. Lighthouse Project SEP
2. The Energy Efficiency and Sustainable Development Project



Correspondence Management System

Control Number: AX-11-001-2863

Printing Date: August 01, 2011 04:35:26



Citizen Information

Citizen/Originator: Huval, Terry

Organization: Lafayette Utilities System
Address: P.O. Box 4017-C, Lafayette, LA 70502

Durel, L.J. Joey

Organization: Lafayette Consolidated Government
Address: 705 W. University Avenue, P.O. Box 4017-C, Lafayette, LA 70502

Bertrand, Donald L

Organization: Lafayette Public Utilities Authority/District 7
Address: 1314 Walker Road, Lafayette, LA 70506

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-2863 **Alternate Number:** N/A
Status: Pending **Closed Date:** N/A
Due Date: Aug 16, 2011 **# of Extensions:** 0
Letter Date: Jul 21, 2011 **Received Date:** Aug 1, 2011
Addressee: AD-Administrator **Addressee Org:** EPA
Contact Type: LTR (Letter) **Priority Code:** Normal
Signature: DX-Direct Reply **Signature Date:** N/A
File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.
Subject: DRF - Docket ID Nos. EPA-HQ-OAR-2009-0234; EPA-HQ-OAR-2011-0044
Instructions: DX-Respond directly to this citizen's questions, statements, or concerns
Instruction Note: N/A
General Notes: N/A
CC: OCIR - Office of Congressional and Intergovernmental Relations
OEAEE - Office of External Affairs and Environmental Education
R6 - Region 6 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 1, 2011	Aug 16, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A



L. J. "JOEY" DUREL, JR.
CITY-PARISH PRESIDENT

705 W. UNIVERSITY AVENUE
P. O. BOX 4017-C
LAFAYETTE, LOUISIANA 70502
TEL: (337) 291-8300
FAX: (337) 291-8399
e-mail: jdurel@lafayettegov.net

July 21, 2011

Hon. Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

REC'D
2011 AUG -1 PM 3:12
OFFICE OF THE
EXECUTIVE SECRETARIAT

Re: Docket ID Nos. EPA-HQ-OAR-2009-0234; EPA-HQ-OAR-2011-0044

Dear Administrator Jackson:

On behalf of Lafayette Utilities System, I am writing regarding the Environmental Protection Agency's (EPA) proposed electric generating unit maximum achievable control technology rules ("EGU MACT"). Our community-owned, non-for-profit electric utility serves 63,715 customers. We own 50% of a 511 MW coal power plant that will be significantly impacted by the proposed EGU MACT rules and related New Source Performance Standards (NSPS) requirements.

Our utility has major concerns regarding several provisions of the proposed rules. We respectfully request that EPA consider these concerns and evaluate the impact to our utility under the Small Business Regulatory Enforcement Fairness Act (SBREFA) and the Unfunded Mandates Reform Act (UMRA) (Chapters 17 A and 25 of Title 2 of the U.S. Code). We would also request that EPA evaluate the impact of the proposed rules under four presidential executive orders – EO 13563, Improving Regulation and Regulatory Review; EO 13132, Federalism; EO 12866, Regulatory Planning and Review; and EO 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, and Use.

As a not-for-profit electric utility owned and operated by local government, we have standing under all of these Executive Orders to call for reasonable and cost-effective regulations to achieve reductions in air pollution in a reasonable time-frame. Our city's specific concerns are as follows:

- The proposed rules do not provide our utility with enough time to comply. The short time frame for compliance risks us having to significantly raise electricity rates that could cause our customers economic hardship, particularly those negatively impacted by the current economic climate, such as the unemployed, the underemployed, and those with limited or fixed incomes.
- The proposed rule is unrealistic about the ability of utilities and state or regional energy authorities to avoid electricity reliability issues in 2014 when compliance with these rules begins. While EPA estimates that only 9 GW of coal-fired power plants will be impacted by the rules, other industry analysts and the North American Electric Reliability Corporation (NERC) estimate that at as many as 70 GW of capacity could be impacted.
- EPA's economic and reliability analysis in the proposed rules assumes that the mercury MACT regulations are the only major capital expenditures the utility sector will be undertaking in the next four years. The analysis completely dismisses the current state of the economy and the cumulative impacts from approximately eight major EPA rules affecting air, water, and wastewater from electric utilities in the next five to eight years.
- The proposed rules include many additional controls beyond those to reduce methyl mercury. These controls are not required under the Clean Air Act or the EPA's own hazardous air pollutants study. We respectfully request that EPA withdraw these rules and re-propose them to solely address methyl mercury.
- The statutorily imposed three year time frame for compliance with the rules is too short. The electric industry needs at a minimum, an additional two years to avoid reliability issues when coal fired power plants shut down for retrofit (often during shoulder seasons). We respectfully encourage EPA to grant the one year extension it is statutorily allowed to do and hope that a second year extension is granted via a presidential order.
- Smaller utilities and those that are located in rural areas rural will have difficulties getting vendors and contractors to respond to requests for proposals (RFPs) for a single opportunity to sell a scrubber, activated carbon technology, or bag house when large utilities will also be seeking larger quantities of such equipment from the same vendors. They are very likely to serve larger utilities first based on economic considerations.
- The EPA's own Regulatory Impact Analysis (RIA) is flawed and suggests that only 97 municipal utilities will face a compliance cost of \$666.30 million annually. These costs underestimate the real impact and show no regional additional impacts in states such as Indiana, Ohio, Wisconsin, Michigan, Minnesota, Kentucky, Georgia, Alabama and Texas.
- The proposed rules assume that all coal types can still be used with available control technologies. This may not be the case. Such fuel switching from one coal type to another or fuel blending can be very expensive for a municipal utility.
- The proposed rules assume that the utility sector will still be able to sell or trade coal ash to the cement and wall-board manufacturing sector once they take effect. Our utility shares the concern of many in the electric utility sector that the control technologies needed to reduce acid gases will increase the sodium content of coal ash, thus exceeding the allowable levels in the ASTM standards. Should that occur, our utility would face additional costs for coal ash management. In addition, the market for trading or selling coal ash would be negatively impacted. The agency's cost analysis did not take this into account.

Hon. Lisa P. Jackson

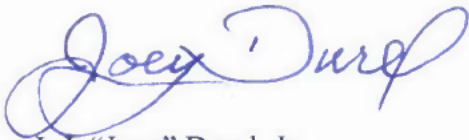
July 21, 2011

Page 3

- Should the proposed rules be finalized in their current form, they could have a significant impact on jobs in my community. The cost of compliance will result in increases in electric rate that could drive out businesses or result in job losses because of increased energy costs.

We respectfully request that EPA reevaluate the premises of the proposed EGU MACT rules. We support EPA's efforts to reduce harmful mercury emissions, but believe such efforts need to be realistic and done in a cost effective manner. Close to 50% of the U.S.'s electric generation is fired by coal. The rule as proposed will affect a significant portion of the industry and impact reliability. In addition, we also respectfully request that the agency reconsider regulating acid gases. It is not required under the Clean Air Act and its inclusion will make it much more costly and difficult to comply with under the existing compliance timelines.

Thank you,



L.J. "Joey" Durel, Jr.
City-Parish President
Lafayette Consolidated Government



Donald L. Bertrand
Chairman of the Lafayette Public Utilities Authority and Councilman, District 7



Terry Huval
Director, Lafayette Utilities System

agc

c: Congressman Charles Boustany
Senator David Vitter
Senator Mary Landrieu
APPA



Correspondence Management System

Control Number: AX-11-001-2867

Printing Date: August 01, 2011 04:25:11



Citizen Information

Citizen/Originator: Burns, W.E.

Organization: City of Washington

Address: Post Office Box 9, Washington, GA 30673

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-2867

Alternate Number: N/A

Status: Pending

Closed Date: N/A

Due Date: Aug 16, 2011

of Extensions: 0

Letter Date: Jul 26, 2011

Received Date: Aug 1, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: LTR (Letter)

Priority Code: Normal

Signature: DX-Direct Reply

Signature Date: N/A

File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.

Subject: DRF - Docket ID Nos. EPA-HQ-OAR-2009-0234

Instructions: DX-Respond directly to this citizen's questions, statements, or concerns

Instruction Note: N/A

General Notes: N/A

CC: OCIR - Office of Congressional and Intergovernmental Relations
OEAE - Office of External Affairs and Environmental Education
R4 - Region 4 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 1, 2011	Aug 16, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History

Action By	Office	Action	Date
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City of Washington



Post Office Box 9
Washington, Georgia 30673
706-678-3277
Fax: 706-678-3752
July 26, 2011

Willie E. Burns, Mayor
Michael P. Eskew, Administrator
Debbie L. Danner, Clerk
Barry A. Fleming, Attorney

Council Members
Ames M. Barnett
Nathaniel Cullars, Sr.
Pamela L.G. Eaton
Edward B. Pope, Jr.
Kimberly J. Rainey
Marion Tutt, Jr.

Hon. Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Re: Docket ID Nos. EPA-HQ-OAR-2009-0234

REC'D
2011 AUG - 1 PM 3:11
OFFICE OF THE
EXECUTIVE SECRETARIAT

Dear Administrator Jackson:

On behalf of The City of Washington, Georgia, I am writing regarding the Environmental Protection Agency's (EPA) proposed electric generating unit maximum achievable control technology ("EGU MACT") rules. Our community-owned, non-for-profit electric utility serves some 4300 customers. We supply electricity produced in part by coal-fired electric generating units that could be significantly impacted by the proposed EGU MACT rule – even though those coal units are already well-controlled for mercury and for criteria pollutants such as sulfur dioxide and nitrogen oxides.

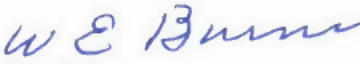
We have major concerns regarding several provisions of the proposed rules. We respectfully request that EPA consider these concerns and evaluate the impact to our utility under the Small Business Regulatory Enforcement Fairness Act (SBREFA) and the Unfunded Mandates Reform Act (UMRA) (Chapters 17 A and 25 of Title 2 of the U.S. Code). We would also request that EPA evaluate the impact of the proposed rules under four presidential executive orders – EO 13563, Improving Regulation and Regulatory Review; EO 13132, Federalism; EO 12866, Regulatory Planning and Review; and EO 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, and Use. As a not-for-profit electric utility owned and operated by local government, we support these Executive Orders that call for reasonable and cost-effective regulations to achieve reductions in air pollution in a reasonable time-frame.

Our concerns include the following:

- The proposed rules create a risk of having to raise electricity rates, that could cause our customers economic hardship, particularly those negatively impacted by the current economic climate, such as the unemployed, the underemployed, and those with limited or fixed incomes.

- The proposed rule raises electricity reliability issues in some regions in 2014 when compliance with these rules begins. While EPA estimates that only 9 GW of coal-fired capacity may face retirement nationally because of the rules, other industry analysts and the North American Electric Reliability Corporation (NERC) estimate that at as many as 70 GW of capacity could face retirement.
- EPA's economic and reliability analysis in the proposed rules addresses only impacts from the proposed EGU MACT regulations. The analysis does not address the cumulative impacts from approximately eight major EPA rules affecting air, water, and wastewater from electric utilities in the next five to eight years.
- The proposed EGU MACT rules include many additional requirements beyond those to reduce mercury emissions. Control of other emissions under the EGU MACT rule may not be necessary or required under the Clean Air Act or based EPA's own hazardous air pollutants study. EPA should consider whether to decline to adopt the rules not related to control of mercury emissions.
- The statutorily imposed three-year time frame for compliance with the EGU MACT rules is too short. The electric industry needs at a minimum, an additional two years to avoid reliability issues that could arise when coal fired power plants must shut down for an extended period to retrofit emissions controls needed to comply with the rule. We respectfully encourage EPA to grant the one-year extension it is statutorily allowed to do and urge that a second year of extension is granted via a presidential order.
- EPA's own Regulatory Impact Analysis (RIA) appears to suggest that only 97 municipal utilities will be affected, and will face a compliance cost of only \$666.3 million annually. These costs appear to significantly underestimate the real impact and show no regional additional impacts in states such as Indiana, Ohio, Wisconsin, Michigan, Minnesota, Kentucky, Georgia, Alabama and Texas.

Thank you for your consideration.


W.E. Burns
Mayor

Cc: Senator Chambliss
Senator Isakson
Rep. Paul Broun



Correspondence Management System

Control Number: AX-11-001-2869

Printing Date: August 01, 2011 03:59:37



Citizen Information

Citizen/Originator: Wachtmann, Lynn R.

Organization: The Ohio House of Representatives

Address: 77 South High Street, Columbus, OH 43215-6111

Constituent: N/A

Committee: N/A **Sub-Committee:** N/A

Control Information

Control Number:	AX-11-001-2869	Alternate Number:	N/A
Status:	Pending	Closed Date:	N/A
Due Date:	Aug 15, 2011	# of Extensions:	0
Letter Date:	Jul 22, 2011	Received Date:	Aug 1, 2011
Addressee:	AD-Administrator	Addressee Org:	EPA
Contact Type:	LTR (Letter)	Priority Code:	Normal
Signature:	AA-OAR-Assistant Administrator	Signature Date:	N/A

- OAR

File Code: 404-141-02-01_141_a(2) Copy of Controlled and Major Correspondence Record of the EPA Administrator and other senior officials - Electronic.

Subject: Daily Reading File- I am writing to ask you to reconsider your plans to increase the fuel economy standard for 2017 to 2025 to as high as 56 miles per gallon.

Instructions: AA-OAR-Prepare draft response for signature by the Assistant Administrator for OAR

Instruction Note: N/A

General Notes: N/A

CC: OCIR - Office of Congressional and Intergovernmental Relations
 OEAAE - Office of External Affairs and Environmental Education
 OP - Office of Policy
 R5 - Region 5 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 1, 2011	Aug 15, 2011	N/A
Instruction: AA-OAR-Prepare draft response for signature by the Assistant Administrator for OAR					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History



RECEIVED

2011 AUG -1 PM 3:11

OFFICE OF THE EXECUTIVE SECRETARIAT

Lynn R. Wachtmann
State Representative

July 22, 2011

The Honorable Ray LaHood
Secretary
Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Lisa Jackson
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20004

Dear Secretary LaHood and Administrator Jackson:

As a state representative in Ohio, I am writing to ask you to reconsider your plans to increase the fuel economy standard for 2017 to 2025 to as high as 56 miles per gallon.

I serve Ohio's 75th House District, which includes Henry, Paulding, Putnam and Van Wert Counties as well as parts of Defiance County in northwest Ohio. Our state has been hurt by high unemployment, and continues to struggle to regain its economic footing. Overly aggressive goals for fuel economy for cars and light-duty trucks could result in price increases of as much as \$10,000 per vehicle, which could destroy our fragile economy and any progress we have made during the recession.

Municipal governments rely on fleets of vehicles, many of them cars and small trucks. With tax revenues down due to the declining value of homes, local governments are already hard-pressed to afford necessary new vehicles for their fleets. Aggressive fuel economy standards would only make a bad situation worse by forcing important public services to be cut.

Additionally, many companies rely on fleets of vehicles to conduct business. They could be faced with tough decisions about whether to keep their fleets up-to-date or to hire more workers due to your fuel economy plans. Businesses doing their best to grow in the languishing economy should not be burdened with such additional and unnecessary difficulties.

I urge you to reconsider your plans for fuel economy standards for the period 2017 to 2025. It is important to strike the right balance between protecting our environment and protecting our citizens in this economy.

Sincerely,

Lynn R. Wachtmann
Ohio State Representative
75th House District

Committees:

Health & Aging, Chair
Subcommittee on Retirement &
Pensions
Commerce & Labor
Insurance

www.house.state.oh.us

77 S. High Street, Columbus, Ohio 43215-6111

Contact Information:

Office: 614-466-3760

Toll-Free: 1-800-282-0253

FAX: 614-719-3975

Email:

district75@ohr.state.oh.us



Correspondence Management System

Control Number: AX-11-001-2870

Printing Date: August 01, 2011 05:17:47



Citizen Information

Citizen/Originator: Berger, Phil

Organization: North Carolina General Assembly, Senate Chamber
Address: State Legislative Building, Raleigh, NC 27601

Constituent: N/A

Committee: N/A Sub-Committee: N/A

Control Information

Control Number: AX-11-001-2870 Alternate Number: N/A
 Status: Pending Closed Date: N/A
 Due Date: Aug 15, 2011 # of Extensions: 0
 Letter Date: Jul 25, 2011 Received Date: Aug 1, 2011
 Addressee: AD-Administrator Addressee Org: EPA
 Contact Type: LTR (Letter) Priority Code: Normal
 Signature: AA-OAR-Assistant Administrator Signature Date: N/A
 - OAR

File Code: 404-141-02-01_141_a(2) Copy of Controlled and Major Correspondence Record of the EPA Administrator and other senior officials - Electronic.

Subject: Daily Reading File- On behalf of the North Carolina Senate, please accept the following comments regarding the development of national fuel economy standards for 2017-2025

Instructions: AA-OAR-Prepare draft response for signature by the Assistant Administrator for OAR

Instruction Note: N/A

General Notes: N/A

CC: OCIR - Office of Congressional and Intergovernmental Relations
 OEAE - Office of External Affairs and Environmental Education
 OP - Office of Policy
 R4 - Region 4 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 1, 2011	Aug 15, 2011	N/A
Instruction: AA-OAR-Prepare draft response for signature by the Assistant Administrator for OAR					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History



RECORDED
2011 AUG -1 PM 3:11
OFFICE OF THE
EXECUTIVE SECRETARIAT

NORTH CAROLINA GENERAL ASSEMBLY
SENATOR PHILIP E. BERGER
PRESIDENT PRO TEMPORE
NORTH CAROLINA SENATE

July 25, 2011

The Honorable Ray LaHood
Secretary
Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Lisa Jackson
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20004

Dear Secretary LaHood and Administrator Jackson:

On behalf of the North Carolina Senate, please accept the following comments regarding the development of national fuel economy standards for 2017-2025. Transportation is a critical component of North Carolina's economic engine – not only is it required for moving goods, services, and people around our state, but transportation-related industries provide thousands of our citizens with jobs. As you consider the development of national fuel economy standards, please weigh the economic impact of these standards, including consumer choice, affordability and the economic concerns that strain on our nation's already fragile economic climate.

Transportation policy continues to be an important piece of the nation's overall energy policy debate but must be considered in the context of the economic engine it both creates and sustains. Therefore, while there is general support to improve fuel economy by laying out a long-term program, it should be a balanced and thoughtful approach that does not further impact a strained economy nor hamper its recovery.

North Carolina is struggling in the current economy, and the transportation sector is not immune. National census data show a net job loss of almost 4,000 jobs between 2009 and 2010 (2Q) in our transportation sector. A compilation of specific job loss data from the State Employment Security Commission report the number of people making auto parts fell 15% statewide between 1999 and 2008. Specific examples of recent job losses include:

- Eaton trimmed 47 of 198 jobs at its factory making hydraulic hoses in Forest City;
- German axle maker Gertrag laid off 141 of 500 workers in Maiden;
- NGK Ceramics USA in Mooresville, which makes parts for catalytic converters, eliminated 85 of its 476 employees;
- Automotive Motors in Thomasville closed its doors and put 104 out of work;

July 25, 2011

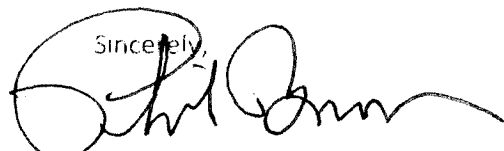
- Auto Truck Transport announced plans to do away with 150 of 275 jobs in Cleveland because of Daimler production cuts;
- Daimler Trucks North America has eliminated more than 2,600 of its 3,880 jobs at factories in Cleveland, Gastonia, and Mount Holly and recently opened a truck assembly plant in Mexico;
- Goodyear Tire and Rubber cut overtime for about 3,000 employees in Fayetteville;
- AW North Carolina, which manufactures parts for Toyota transmissions, cut 280 of 1,110 jobs in Durham; and
- Cummins shed 180 full-time and 210 temporary workers at engine plants in Rocky Mount.

Increased fuel efficiency standards may further weaken the economy and lead to higher costs and greater job loss over that reported above. The Center for Automotive Research issued a forecast last month that developing and producing cars to meet a fuel efficiency range between 47 and 62 mpg by 2025 will increase the cost of a vehicle between \$3,744 and \$9,790. Under their most extreme scenario, the maximum fuel efficiency increase could cut more than 260,000 jobs and reduce annual auto sales by 5.5 million vehicles. In April of this year, the US Energy Information Administration reported a similar trend where higher vehicle prices related to a 6% annual increase in fuel economy standards could result in a 14% auto sales decline.

North Carolina's businesses and citizens all share the need for affordable transportation. The next phase of fuel economy standards should not pick winners and losers but should support a variety of technologies and fuel diversity to preserve affordability. If fuel economy standards increase too quickly, resulting in more expensive vehicles, many of our State's consumers can be expected to hold on to their older vehicles longer and defer buying a new car, which could put even more jobs across our state and nation at risk. Deferred vehicle replacement could also have the unintended consequence of delaying compliance with federal air quality standards.

We encourage NHTSA and EPA to adopt a single, national fuel economy standard that considers America's needs for increased fuel economy while preserving the choices for families and businesses to meet their transportation needs without sacrificing affordability, safety, or jobs. NHTSA and EPA have already set strong standards for 2012-2016 that raise the fleet average by 40% to 35 miles per gallon.

Looking forward, technology improvements should continue to support increases in fuel economy. However, we hope you recognize that overreaching regulations can place a significant cost burden on individuals, families, and businesses in North Carolina and the nation.

Sincerely,

Phil Berger



Correspondence Management System

Control Number: AX-11-001-2871

Printing Date: August 01, 2011 04:07:34



Citizen Information

Citizen/Originator: Hardy, Charles L.

Organization: City of Commerce (Georgia)

Address: P.O. Box 348 27 Sycamore Streete, Commerce, GA 30529

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-2871

Alternate Number: N/A

Status: Pending

Closed Date: N/A

Due Date: Aug 15, 2011

of Extensions: 0

Letter Date: Jul 25, 2011

Received Date: Aug 1, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: LTR (Letter)

Priority Code: Normal

Signature: AA-OAR-Assistant Administrator

Signature Date: N/A

- OAR

File Code: 404-141-02-01_141_a(2) Copy of Controlled and Major Correspondence Record of the EPA Administrator and other senior officials - Electronic.

Subject: Daily Reading File- We have major concerns regarding several provisions of the proposed rules. We respectfully request that EPA consider these concerns and evaluate the impact to our utility under the Small Business Regulatory Enforcement Fairness Act (SBREFA) and the Unfunded Mandates Reform Act (UMRA)

Instructions: AA-OAR-Prepare draft response for signature by the Assistant Administrator for OAR

Instruction Note: N/A

General Notes: N/A

CC: OCIR - Office of Congressional and Intergovernmental Relations
OEAE - Office of External Affairs and Environmental Education
R4 - Region 4 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 1, 2011	Aug 15, 2011	N/A
Instruction: AA-OAR-Prepare draft response for signature by the Assistant Administrator for OAR					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

CHARLES L. HARDY, JR., MAYOR
KEITH BURCHETT, MAYOR PRO TEM
CLARENCE H. BRYANT, CITY MANAGER
SHIRLEY WILLIS, CITY CLERK



P. O. BOX 348 • 27 SYCAMORE STREET
COMMERCE, GEORGIA 30529
706-335-3164

ARCHIE D. CHANEY, COUNCILMAN
DARREN OWENSBY, COUNCILMAN
MARK FITZPATRICK, COUNCILMAN
J. CLARK HILL III, COUNCILMAN
JOHNNY W. EUBANKS, COUNCILMAN

July 25, 2011

Hon. Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

2011 AUG - 1 PM 3: 1
EXECUTIVE SECRETARIAT
OFFICE OF THE
RECEIVED

Re: Docket ID Nos. EPA-HQ-OAR-2009-0234

Dear Administrator Jackson:

On behalf of the City of Commerce, Georgia, I am writing regarding the Environmental Protection Agency's (EPA) proposed electric generating unit maximum achievable control technology ("EGU MACT") rules. Our community-owned, non-for-profit electric utility serves [INSERT number] customers. We supply electricity produced in part by coal-fired electric generating units that could be significantly impacted by the proposed EGU MACT rule – even though those coal units are already well-controlled for mercury and for criteria pollutants such as sulfur dioxide and nitrogen oxides.

We have major concerns regarding several provisions of the proposed rules. We respectfully request that EPA consider these concerns and evaluate the impact to our utility under the Small Business Regulatory Enforcement Fairness Act (SBREFA) and the Unfunded Mandates Reform Act (UMRA) (Chapters 17 A and 25 of Title 2 of the U.S. Code). We would also request that EPA evaluate the impact of the proposed rules under four presidential executive orders – EO 13563, Improving Regulation and Regulatory Review; EO 13132, Federalism; EO 12866, Regulatory Planning and Review; and EO 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, and Use. As a not-for-profit electric utility owned and operated by local government, we support these Executive Orders that call for reasonable and cost-effective regulations to achieve reductions in air pollution in a reasonable time-frame.

Our concerns include the following:

- The proposed rules create a risk of having to raise electricity rates, that could cause our customers economic hardship, particularly those negatively impacted by the current economic climate, such as the unemployed, the underemployed, and those with limited or fixed incomes.
- The proposed rule raises electricity reliability issues in some regions in 2014 when compliance with these rules begins. While EPA estimates that only 9 GW of coal-fired capacity may face retirement nationally because of the rules, other industry analysts and the North American Electric Reliability Corporation (NERC) estimate that at as many as 70 GW of capacity could face retirement.



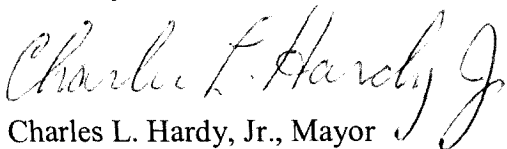
||| A City On The Right Track |||



- EPA's economic and reliability analysis in the proposed rules addresses only impacts from the proposed EGU MACT regulations. The analysis does not address the cumulative impacts from approximately eight major EPA rules affecting air, water, and wastewater from electric utilities in the next five to eight years.
- The proposed EGU MACT rules include many additional requirements beyond those to reduce mercury emissions. Control of other emissions under the EGU MACT rule may not be necessary or required under the Clean Air Act or based EPA's own hazardous air pollutants study. EPA should consider whether to decline to adopt the rules not related to control of mercury emissions.
- The statutorily imposed three-year time frame for compliance with the EGU MACT rules is too short. The electric industry needs at a minimum, an additional two years to avoid reliability issues that could arise when coal fired power plants must shut down for an extended period to retrofit emissions controls needed to comply with the rule. We respectfully encourage EPA to grant the one-year extension it is statutorily allowed to do and urge that a second year of extension is granted via a presidential order.
- EPA's own Regulatory Impact Analysis (RIA) appears to suggest that only 97 municipal utilities will be affected, and will face a compliance cost of only \$666.3 million annually. These costs appear to significantly underestimate the real impact and show no regional additional impacts in states such as Indiana, Ohio, Wisconsin, Michigan, Minnesota, Kentucky, Georgia, Alabama and Texas.

Thank you for your consideration.

Sincerely,



Charles L. Hardy, Jr., Mayor
City of Commerce, Georgia

Cc: Senator Isakson and Senator Chambliss
Representative Kingston, Representative Bishop, Representative Westmorland
Representative Johnson, Representative Lewis, Representative Price
Representative Woodall, Representative A. Scott, Representative Broun
Representative Gingrey, Representative Barrow, Representative D. Scott
Representative Graves



Correspondence Management System

Control Number: AX-11-001-3525

Printing Date: August 10, 2011 02:41:34



Citizen Information

Citizen/Originator: Mull, Stephen D

Organization: United States Department of State
Address: 2201 C Street, NW, Washington, DC 20520

McPhail, Donald L

Organization: United States Department of State
Address: 2201 C Street, NW, Washington, DC 20520

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3525

Alternate Number: N/A

Status: For Your Information

Closed Date: N/A

Due Date: N/A

of Extensions: 0

Letter Date: Aug 8, 2011

Received Date: Aug 10, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: EML (E-Mail)

Priority Code: Normal

Signature: SNR-Signature Not Required

Signature Date: N/A

File Code: 401_127_a General Correspondence Files Record copy

Subject: Daily Reading File the National Security Affairs Calendar for the upcoming months August 11-December 19, 2011 & January 23-November 20, 2012.

Instructions: For Your Information -- No action required

Instruction Note: N/A

General Notes: N/A

CC: Noah Dubin - OEX
OEAEE - Office of External Affairs and Environmental Education
OHS - Office of Homeland Security

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
No Record Found.					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
(b) (6) Personal Privacy	OEX	OITA	Aug 10, 2011

History



S/ES 201113888

United States Department of State

Washington, D.C. 20520

August 8, 2011

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MEMORANDUM FOR NATHAN D. TIBBITS
EXECUTIVE SECRETARY
NATIONAL SECURITY STAFF

SUBJECT: National Security Affairs Calendar

The National Security Affairs Calendar for the upcoming months is attached.

A handwritten signature in black ink, appearing to read "SD Mull".

Stephen D. Mull
Executive Secretary

Attachment:
As stated.

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August 8, 2011

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NATIONAL SECURITY AFFAIRS CALENDAR

ONGOING EVENTS

- | | |
|------------|--------------------------------------------------------------------------|
| Aug 11-12* | Visit of Foreign Minister Stoere of Norway to Washington |
| Aug 11-13 | Australian-American Leadership Dialogue (AALD), Perth |
| Aug 15-19 | Visit of Environmental Protection Agency Administrator Jackson to Brazil |
| Aug 15-19 | U.S.-Brazil Joint Initiative on Urban Sustainability, Rio de Janeiro |

LOOKING FORWARD

- | | |
|-----------|------------------------------------------------------------------------|
| Aug 16-24 | Visit of Vice President Biden to China, Mongolia and Japan |
| Aug 16-18 | U.S.-China Aviation Negotiations, Chongqing |
| Aug 21-25 | APEC Business Advisory Council (ABAC) III, Lima |
| Aug 21 | Presidential Elections in Cape Verde-2nd Round |
| Aug 31 | Presidential Elections in Singapore |
| Sep TBD | Official Launch of the Global Counterterrorism Forum (GCTF), New York |
| Sep TBD* | 2nd Round of U.S.-Philippines Bilateral Strategic Dialogue, Washington |

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Sep 2 ASEAN Ministers of Energy Meeting, Brunei

Sep 6-9 42nd Pacific Islands Forum, Auckland

Sep 6-8 1st APEC Forestry Ministerial, Beijing

Sep 9-10 G-7 Finance Ministerial Meeting, Marseille

Sep 11 Presidential and Legislative Elections in Guatemala

Sep 12-16 International Atomic Energy Agency (IAEA) Board of Governors Meeting, Vienna

Sep 12-20 18th Regular Session of the Human Rights Council, Geneva

Sep 13-16 9th Asia-Pacific Economic Cooperation (APEC) Women and Economy Summit, San Francisco

Sep 13 66th United Nations General Assembly Commences, New York

Sep 13 Asia-Pacific Economic Cooperation (APEC) High-Level Meeting on Energy Efficiency and Sustainable Transportation, San Francisco

Sep 14-16 Annual Meeting of the New Champions 2011, Dailian, PRC

Sep 14 Asia-Pacific Economic Cooperation (APEC) Transportation and Energy Ministerial, San Francisco

Sep 15 Australia-U.S. Ministerial (AUSMIN) 2011, San Francisco

Sep 17-19* Visit of Crown Prince Al-Mutahdee Billah of Brunei to Washington

Sep 17 Parliamentary Elections in Latvia (Snap)

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- Sep 19-20 66th United Nations General Assembly Non-Communicable Disease High-Level Session, New York
- Sep 19-23 IAEA General Conference, 55th Session, Vienna
- Sep 20 66th United Nations General Assembly Desertification High-Level Session, New York
- Sep 20 Presidential and Legislative Elections in Zambia
- Sep 21 66th United Nations General Assembly General Debate begins, New York
- Sep 22 Subnational Legislative Elections in Saudi Arabia (Snap)
- Sep 23 UN Conference on Facilitating the Entry into Force of the Comprehensive Nuclear Test Ban Treaty, New York
- Sep 23-25* 2011 World Bank/IMF Annual Meetings, Washington
- Sep 24 Legislative Elections in the United Arab Emirates
- Sep 24 Parliamentary Elections in Bahrain (Snap)-1st Round
- Sep 25-26 Asia-Pacific Economic Cooperation (APEC) Senior Officials' Meeting 3, San Francisco
- Sep 26 International Atomic Energy Agency (IAEA) Board of Governors Meeting, Vienna
- Sep 27-30 Internet Governance Forum (IGF), Nairobi
- Oct TBD Election of UN Security Council Non-Permanent Members
- Oct TBD (T) Parliamentary Elections in Egypt

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Oct 1 Parliamentary Elections in Bahrain (Snap)-2nd Round

Oct 3-28 UNGA First (Disarmament and International Security) Committee, New York

Oct 5-6 North Atlantic Treaty Organization (NATO) Defense Ministers Meeting, Brussels

Oct 5-6 Pathways to Prosperity Ministerial Meeting, Santo Domingo

Oct 5-7 The Americas Competitiveness Forum, Dominican Republic

Oct 7 Parliamentary Elections in Morocco

Oct 9 Parliamentary Elections in Poland

Oct 10-11 Summit on the Global Agenda 2011, Abu Dhabi

Oct 11 Presidential and Legislative Elections in Liberia

Oct 13* U.S.-India Higher Education Summit, Washington

Oct 16 G-20 Finance Ministerial, Paris

Oct 16-17 APEC Workshop on Terrorist Abuse of Non-Profit Organizations, Kuala Lumpur

Oct 16 Parliamentary Elections in Mauritania

Oct 17-18 International Congress on Energy Security, Geneva

Oct 17-21 IAEA: International Conference on the Safe and Secure Transport of Radioactive Materials, Vienna

Oct 17-20 7th UNESCO Youth Forum, Paris

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Oct 21-23	World Economic Forum on the Middle East, Dead Sea, Jordan
Oct 23	Legislative Elections in Tunisia (Snap)
Oct 23	Presidential Elections in Bulgaria
Oct 24-28	International Telecommunication Union (ITU) Telecom World 2011, Geneva
Oct 30	Presidential Elections in Kyrgyzstan
Oct 31*	U.S.-Indonesia Higher Education Summit, Washington
Nov TBD	Pacific Island Conference of Leaders, Honolulu
Nov TBD	Presidential Elections in Egypt
Nov 1	High-Level Forum on Aid Effectiveness, Seoul
Nov 1-2	London International Cyber Conference, London
Nov 2	Regional Summit on Afghanistan, Istanbul
Nov 3-4	G-20 Summit, Cannes
Nov 7-9	APEC Business Advisory Council (ABAC) IV, Honolulu
Nov 8-9	Asia-Pacific Economic Cooperation (APEC) Concluding Senior Officials Meeting and Related Meetings, Honolulu
Nov 10	Asia-Pacific Economic Cooperation (APEC) Finance Ministerial, Honolulu
Nov 10-11	Asia-Pacific Economic Cooperation (APEC) CEO Summit, Honolulu

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Nov 11 Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting, Honolulu

Nov 12-13 19th Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting, Honolulu

Nov 12 Parliamentary Elections in Denmark

Nov 13-15 India Economic Summit, Mumbai

Nov 14-18 International Atomic Energy Agency (IAEA) International Conference on Research Reactors, Rabat

Nov 14-18 International Education Week

Nov 14 (T) Parliamentary Elections in Guyana

Nov 17-18 International Atomic Energy Agency (IAEA) Board of Governors Meeting, Vienna

Nov 17-19 ASEAN Summit and Related Meetings, Bali

Nov 19 East Asia Summit (EAS) Meeting, Bali

Nov 20 Parliamentary Elections in Spain

Nov 24 Presidential Elections in Gambia

Nov 26 Parliamentary Elections in New Zealand

Nov 28 (T) Presidential and Legislative Elections in the Democratic Republic of Congo

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- Nov 28 - Dec 9 17th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) and the 7th Session of the Conference of the Parties Serving as a Meeting of the Parties (CMP 7) to the Kyoto Protocol, Durban
- Dec 4 Parliamentary Elections in Croatia
- Dec 5-22 Biological Weapons Convention 7th Review Conference, Geneva
- Dec 5 International Afghanistan Conference, Bonn
- Dec 6-7 Organization for Security and Cooperation in Europe (OSCE) Ministerial, Vilnius
- Dec 7-8 North Atlantic Treaty Organization (NATO) Foreign Ministers Meeting, Brussels
- Dec 12-19 World Trade Organization (WTO) Ministerial Conference, Geneva
- 2012** Jan 16-19 5th World Future Energy Summit, Abu Dhabi
- Jan 23 - Feb 17 World Radiocommunications Conference 2012 (WRC-12), Geneva
- Jan 25-29 World Economic Forum Annual Meeting, Davos-Klosters
- Feb TBD 48th Munich Security Conference, Munich
- Mar 12-17 6th World Water Forum, Marseille
- Mar 26-27 Nuclear Security Summit, Republic of Korea
- Apr 14-15 6th Summit of the Americas, Cartagena
- May 18-19 2012 European Bank for Reconstruction and Development (EBRD) Annual Meeting, London

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May 20	Presidential Elections in the Dominican Republic
May 31 - Jun 1	African Development Bank Annual Meeting, Arusha
Jun 4-6	UN Conference on Sustainable Development (UNCSD) or Rio + 20, Rio de Janeiro
Jul 1	Presidential and Legislative Elections in Mexico
Jul 8-10	Organization of American States (OAS) General Assembly, Cochabamba, Bolivia
Jul 21-25 (T)	19th Annual ASEAN Regional Forum, Phnom Penh
Jul 27 - Aug 12	XXX Summer Olympic Games, London
Aug 29 - Sep 9	Paralympic Games, London
Oct 8	Legislative Elections in Slovenia
Nov 18-20 (T)	21st Annual ASEAN Summit, Phnom Penh

* = Taking Place in Washington

(T) = Tentative

TBD = To Be Determined

For additions/updates/corrections/changes:

Please email Saadia Sarkis at sarkiss@state.sgov.gov or sarkiss@state.gov.

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

RECEIVED
2011 AUG 10 AM 9:58

AUG - 3 2011

OFFICE OF THE
EXECUTIVE SECRETARIAT

MEMORANDUM

OFFICE OF
GENERAL COUNSEL

SUBJECT: FY 2011 Federal Managers' Financial Integrity Act Assurance Letter

FROM: Scott C. Fulton
General Counsel

TO: Lisa P. Jackson
Administrator

PURPOSE

In accordance with the *Federal Managers' Financial Integrity Act* (FMFIA) and Agency guidance, I am submitting the FY 2011 annual assurance letter attesting to the soundness of internal controls for the Office of General Counsel (OGC).

STATEMENT OF ASSURANCE

Under my leadership, the Office of General Counsel has assessed the effectiveness of its internal controls based on the five standards for internal control established by the Government Accountability Office. In my judgment, OGC complies with the Federal Managers' Financial Integrity Act requirements, and the internal controls within OGC are adequate to reasonably ensure the protection of the programs, operations, functions, and resources for which I am responsible against fraud, waste, abuse, and mismanagement.

Additionally, in accordance with the American Recovery and Reinvestment Act of 2009 (Recovery Act) and Agency guidance, I can provide reasonable assurance that:

- All Recovery Act programs were managed effectively and efficiently, utilized reliable and accurate data to report achievement of program goals, and were in compliance with laws and regulations;
- All Recovery Act funds designated for OGC have been used solely for the purpose of that program and, if applicable, were awarded and distributed in a prompt, fair, and reasonable manner;
- OGC is monitoring the risks and internal controls identified in EPA's Recovery Act Stewardship Plan and is in compliance with the Stewardship Plan.

NOTE: Per the Office of the Chief Financial Officer (OCFO) guidance, OGC has included this general statement concerning its Recovery Act Resources. As an enabling support office, OGC is not responsible for administering projects and programs as described in the American Recovery and

Reinvestment Act of 2009. OGC Recovery Act resources pertain solely to payroll. A detailed discussion of OGC's review of its payroll resources can be found within the financial section of our assurance statement.

CERTIFICATION OF MANAGEMENT INTEGRITY TRAINING

I certify that each OGC manager and Management Integrity Advisor completed the on-line management integrity training on internal controls.

FRAMEWORK FOR ASSESSING INTERNAL CONTROLS

Attached are the completed/written Program Review Strategies for all of our key program activities identified in our Multi-Year for FY 2010 – FY 2012).

RESULTS OF INTERNAL CONTROL REVIEWS

Over Programmatic Operations

OGC has completed its internal control reviews for the activities identified for 2011. We assessed our activities at a low to medium risk level. Results are reflected on our multi-year plan. (See **Attachment D** for a copy of our multi-year plan.)

Over Recovery Act Operations

OGC is not responsible for administering projects and programs as described in the American Recovery and Reinvestment Act of 2009. OGC is an enabling and support office within the Environmental Protection Agency (EPA), and provides legal counsel and advice to EPA offices responsible for such tasks. OGC has received a small portion of Recovery Act resources to partially cover payroll costs associated with employees working on both Recovery Act and non-Recovery Act projects.

According to the Agency's Recovery Act Stewardship Plan, the control objectives for Recovery Act payroll dollars represent low to medium risk level. OCFO requested that offices evaluate their monitoring activities for "Control Objectives" identified as high risk, and "Post-award Control Objectives" identified as medium risk. Neither category is applicable to OGC.

Over Financial Activities (A-123)

See **Attachment A** for OGC's FY 2010 statement on Control Environment.

Unliquidated Obligations (ULO) - OGC's Budget team has completed its review of unliquidated balances in travel, miscellaneous obligations and interagency agreements. Appropriate actions were taken to deobligate unneeded funds. See **Attachment B** for OGC's A-123 review documentation for unliquidated obligations.

Superfund State Contract Process - This section does not apply to OGC and is only applicable to the Regional offices.

Significant Financial Processes - OGC's Budget team completed reviews of its unliquidated balances in travel, miscellaneous obligations and interagency agreements. Appropriate actions were taken to deobligate unneeded funds. OGC also examined the resources provided for Recovery Act responsibilities and determined they are strictly for payroll usage, not contracts or grants.

Recovery Act Stewardship Plan - This section does not apply to OGC. OGC receives Recovery Act Resources strictly for payroll usage, not contracts or grants.

Deepwater Horizon BP Oil Spill Stewardship Plan - This section does not apply to OGC as no resources were received in FY 2011

Superfund Site Identifier ZZ Accounts (SSID ZZ) – OGC's Budget team has completed its review of Superfund Site Identifier (SSID) ZZ accounts. OGC did not have SSID ZZ accounts applicable for this review.

Superfund State Contract (SSC) Process – This section does not apply to OGC and is only applicable to the Regional offices.

CURRENT WEAKNESSES, SIGNIFICANT DEFICIENCIES, MANAGEMENT CHALLENGES, AND NEW OR EMERGING ISSUES

OGC does not have the lead for any of EPA's current weaknesses, significant deficiencies, or management challenges. OGC has examined the issues associated with the various material and Agency level weaknesses currently identified for corrective action by EPA. OGC, through its legal staff and its counterparts in the regions, will continue to work with Agency staff and senior managers to address and respond to legal issues that affect the Agency's ability to safeguard its resources, implement its programs, meet its statutory mandates and achieve its mission.

ACCOMPLISHMENTS AND BEST MANAGEMENT PRACTICES

OGC employs a variety of tools and techniques designed to assist us in the routine assessment of the integrity and success of our programs and legal services. See **Attachment C** for a listing of OGC Management Control Tools and Techniques.

CLOSING

If you have questions about OGC's efforts and practices to ensure effective management controls for its programs and to provide effective legal services for the Agency's programs, please contact me at 564-8040 or have your staff contact Kraig Lattimore at 564-1757.



Correspondence Management System

Control Number: AX-11-001-3539

Printing Date: August 10, 2011 02:04:28



Citizen Information

Citizen/Originator: Zoeller, Gregory G.

Organization: Indiana Attorney General's Office
Address: Address Unknown

DeWine, Mike

Organization: Ohio Attorney General's Office
Address: Address Unknown

Horne, Thomas

Organization: Arizona Attorney General
Address: 1275 West Washington, Phoenix, AZ 85007

Bondi, Pam

Organization: Florida Attorney Generals's Office
Address: Address Unknown

Conway, Jack

Organization: Kentucky Attorney General's Office
Address: Address Unknown

Rapadas, Leonardo M

Organization: Guam Attorney General's Office
Address: Address Unknown

Pruitt, E. Scott

Organization: Oklahoma Attorney General's Office
Address: Address Unknown

Schmidt, Derek

Organization: Kansas Attorney General's Office
Address: Address Unknown

Shurtleff, Mark L.

Organization: Utah Attorney General's Office
Address: Address Unknown

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3539

Alternate Number: N/A

Status: Pending

Closed Date: N/A

Due Date: Aug 24, 2011

of Extensions: 0

Letter Date: Aug 10, 2011

Received Date: Aug 10, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: LTR (Letter)

Priority Code: Normal

Signature: DX-Direct Reply

Signature Date: N/A

File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.

Subject: Daily Reading File - Proposed Utility MACT Rule. EPA-HQ-OAR-2009-0234

Instructions: DX-Respond directly to this citizen's questions, statements, or concerns

Instruction Note: N/A



Correspondence Management System

Control Number: AX-11-001-3539

Printing Date: August 10, 2011 02:04:28



General Notes: N/A

CC: OCIR - Office of Congressional and Intergovernmental Relations
 OEAAE - Office of External Affairs and Environmental Education
 OGC - Office of General Counsel -- Immediate Office
 OP - Office of Policy
 R4 - Region 4 -- Immediate Office
 R5 - Region 5 -- Immediate Office
 R6 - Region 6 -- Immediate Office
 R7 - Region 7 -- Immediate Office
 R8 - Region 8 -- Immediate Office
 R9 - Region 9 - Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 10, 2011	Aug 24, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History

Action By	Office	Action	Date
(b) (6) Personal Privacy	OEX	Assign OAR as lead office	Aug 10, 2011

Comments

Commentator	Comment	Date
No Record Found.		

STATE ATTORNEYS GENERAL
A Communication from the Chief Legal Officers of the States of
Arizona, Florida, Guam, Indiana, Kansas, Kentucky, Ohio, Oklahoma and Utah.

August 4, 2011.

Hon. Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency
EPA Headquarters – Ariel Ross Building
1200 Pennsylvania Avenue, N.W.
Mail Code: 1101A
Washington, D.C. 20460

Re: Proposed Utility MACT Rule:
EPA-HQ-OAR-2009-0234; EPA-HQ-OAR-2011-0044

Dear Ms. Jackson:

As State Attorneys General, we are writing because of our concern about the lawfulness of the procedures followed by the Environmental Protection Agency (“EPA”) in developing its recently proposed regulation, “Maximum Achievable Control Technology Rule” for utilities (“Utility MACT Rule”).

In our view, the EPA has not abided by the direction given to federal agencies – including the EPA – by President Barrack Obama with respect to the procedures that agencies must follow to assess the *cumulative* impact of their proposed regulations. *See* Executive Order No. 13,563, 76 Fed. Reg. 3, 821 (Jan. 18, 2011). Given this lack of compliance, we ask that your agency withdraw its proposed Utility MACT Rule, at least until such time as your agency conducts a cumulative impact analysis, as directed by the President.

President Obama issued Executive Order No. 13,563 in order to make it clear that federal agencies are to assess the cost of cumulative regulations when they propose to impose new requirements on society, including businesses. His Executive Order “is supplemental to and reaffirms the principles, structures, and definitions governing contemporary regulatory review that were established in Executive Order 12,866 of September 30, 1993.”¹ Thus, in order to ascertain the full effect of Executive Order No. 13,563, it is necessary to turn to the previous Executive Order, cited by President Obama, on this subject.

Issued by President Bill Clinton, Executive Order 12,866 provides:

¹ Executive Order No. 13,563, 76 Fed. Reg. 3,821 (Jan. 18, 2011).

Sign-On re Proposed Utility MACT Rule

August 4, 2011

Page 2

Each agency shall tailor its regulations to impose the least burden on society, including individuals, businesses of differing sizes, and other entities (including small communities and governmental entities), consistent with obtaining regulatory objectives, taking into account, among other things, and to the extent practicable, *the costs of cumulative regulations.*²

This focus on a cumulative analysis reflects the view that government regulations should be examined for their overall effect, and not simply looked at in isolation. As Executive Order No. 12,866 explains, “[i]n deciding whether and how to regulate, agencies should assess *all* costs and benefits of available regulatory alternatives.”³

In evaluating the proposed Utility MACT Rule, a cumulative impact analysis is especially important because of the large number of related regulations the EPA has adopted, has proposed for adoption, and/or is currently considering proposing. Although EPA has not conducted its own cumulative analysis, the private sector has done so, focusing on the combined impact of the proposed Utility MACT Rule and the recently-adopted Transport Rule (a/k/a Cross-State Air Pollution Rule).

As you may know from the comments filed in opposition to the Utility MACT Rule, the American Coalition for Clean Coal Electricity (“ACCE”), commissioned the highly-regarded National Economic Research Associates (“NERA”) to prepare a report. The initial NERA report shows that the combination of the Transport Rule and the Utility MACT Rule will be a serious blow to the economy, causing a net loss of 1.4 million jobs by 2020.⁴ The combination of the two regulations will also cause a substantial increase in retail electricity prices, with the price increase estimated to top 23 percent in some areas of the country.

In our judgment, it would be arbitrary and capricious for your agency to adopt the proposed Utility MACT Rule without conducting a cumulative impact analysis. Even without Executive Orders No. 13,563 and 12,866, the dire results of the privately-commissioned NERA analysis would make it irresponsible for your agency to do so. Given President Obama’s directive – as set forth in those Executive Orders – we believe that it is especially inappropriate for your agency to proceed on its current course.

² Executive Order No. 12,866, 58 Fed. Reg. 51,735, 51,736 (Sept. 30, 1993) (emphasis added). It should also be noted that the requirement for a cumulative impact analysis dates back to President Ronald Reagan, who required federal agencies, when they propose new regulations to “tak[e] into account the condition of the particular industries affected by regulations . . . and other regulatory actions contemplated for the future.”) (emphasis added). See Executive Order No. 12,291, 46 Fed. Reg. 13,193 (Feb. 19, 1981).

³ *Id.* (emphasis added).

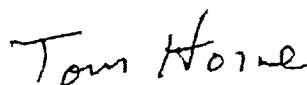
⁴ The report can be found at http://www.americaspower.org/NERA_CATR_MACT_29.pdf.

Sign-On re Proposed Utility MACT Rule
August 4, 2011
Page 3

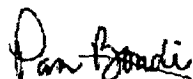
We ask that the proposed Utility MACT Rule be withdrawn until full compliance with those Executive Orders is achieved.

In making this request, we recognize that you have agreed to a consent decree that gives you a November 16, 2011 deadline for adopting a final rule governing coal- and oil-fired electric generating units.⁵ We also recognize, however, that the deadline is not set in stone, and that you are able to ask the court to extend the deadline "for good cause shown." The need for your agency to conduct a cumulative analysis – as required by Executive Orders No. 13,563 and 12,866 – would certainly constitute good cause, and we would be pleased to support the need for an extended deadline if you ask the court to grant it.

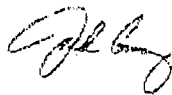
Sincerely,



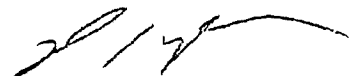
Thomas Horne
Attorney General of Arizona



Pam Bondi
Attorney General of Florida



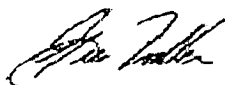
Jack Conway
Attorney General of Kentucky



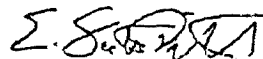
Leonardo M. Rapadas
Attorney General of Guam



Mike DeWine
Attorney General of Ohio



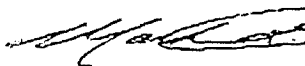
Gregory F. Zoeller
Attorney General of Indiana



E. Scott Pruitt
Attorney General of Oklahoma



Derek Schmidt
Attorney General of Kansas



Mark L. Shurtleff
Attorney General of Utah

⁵ See *American Nurses Assoc. v. Jackson*, No. 1:08-02198 (D.D.C.).



Correspondence Management System

Control Number: AX-11-001-3540

Printing Date: August 10, 2011 01:39:48



Citizen Information

Citizen/Originator: Berry, John

Organization: United States Office of Personnel Management

Address: 1900 E Street, NW, Washington, DC 20415

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3540

Alternate Number: N/A

Status: For Your Information

Closed Date: N/A

Due Date: N/A

of Extensions: 0

Letter Date: Aug 9, 2011

Received Date: Aug 10, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: FAX (Facsimile)

Priority Code: Normal

Signature: SNR-Signature Not Required

Signature Date: N/A

File Code: 401_127_a General Correspondence Files Record copy

Subject: DRF - American Legion Job Fair

Instructions: For Your Information -- No action required

Instruction Note: N/A

General Notes: N/A

CC: Noah Dubin - OEX

OEAEE - Office of External Affairs and Environmental Education

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
No Record Found.					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
(b) (6) Personal Privacy	OEX	OARM	Aug 10, 2011

History

Action By	Office	Action	Date
(b) (6) Personal Privacy	OEX	Forward control to OARM	Aug 10, 2011

Comments



The Director

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Washington, DC 20415

AUG 9 2011

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

FROM: JOHN BERRY
DIRECTOR

SUBJECT: American Legion Job Fair

A handwritten signature in black ink that reads "John Berry".

The U.S. Office of Personnel Management (OPM), in collaboration with the Council on Veterans Employment and Chief Human Capital Officers Council, is proud to announce our participation in this year's American Legion Veterans Job Fair. Our participation in this annual hiring event will help advance the President's Veterans Employment Initiative designed to improve employment opportunities for veterans in the Federal Government.

Veterans have selflessly served to protect our way of life and made great sacrifices in the defense of our nation. Now we have an opportunity to give back to those brave men and women by assisting them in finding employment in the Federal Government.

This year the American Legion will be holding its 93rd National Convention in Minneapolis, Minnesota, where the Job Fair will be held from 11:00 am to 4:00 pm on Saturday, August 27, 2011. OPM encourages other agencies to participate as well. Please contact Joseph Sharpe with the American Legion at 202-861-2700, extension 5771 to attend this important human resource event.

It will take our collective effort to achieve success in supporting the President's veterans employment objectives. OPM looks forward to working alongside your agency to make the American Legion Job Fair a successful hiring event.

Attachment

Cc: Chief Human Capital Officers
Human Resources Directors



Correspondence Management System

Control Number: AX-11-001-3548

Printing Date: August 10, 2011 02:18:48



Citizen Information

Citizen/Originator: Hines, Greg

Organization: City of Rogers

Address: 301 West Chesnut Street, Rogers, AR 72756

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3548

Alternate Number: N/A

Status: Pending

Closed Date: N/A

Due Date: Aug 24, 2011

of Extensions: 0

Letter Date: Aug 3, 2011

Received Date: Aug 10, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: LTR (Letter)

Priority Code: Normal

Signature: DX-Direct Reply

Signature Date: N/A

File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.

Subject: Daily Reading File DOT and EPA developing national fuel economy standards for 2017-2025 share views. Docket No. EPA-HQ-OAR-2011-0044

Instructions: DX-Respond directly to this citizen's questions, statements, or concerns

Instruction Note: N/A

General Notes: N/A

CC: OCIR - Office of Congressional and Intergovernmental Relations
OEAE - Office of External Affairs and Environmental Education
OP - Office of Policy
R6 - Region 6 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 10, 2011	Aug 24, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History



CITY OF ROGERS
Office of the Mayor
Mayor Greg Hines

RECEIVED

2011 AUG 10 PM 12:43

OFFICE OF THE
EXECUTIVE SECRETARIAT

The Honorable Lisa Jackson, Administrator
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Ave. N.W.
Washington, DC 20460

August 3, 2011

Re: Docket No. EPA-HQ-OAR-2011-0044

Dear Administrator Jackson,

I represent the City of Rogers, Arkansas and write to express our citizens concerns about new environmental proposals that will affect the price of electricity.

Our citizens understand the need to improve the quality of our air and to protect our environment, but we also are concerned about the cost of new regulations. We have been advised by our electric utilities that the hazardous air pollutants rule and other proposed rules could result in double-digit price increases. We also are told that these price increases could be deferred or mitigated if the EPA adopts regulations that are more flexible.


As businesses, energy costs are a significant consideration. A 10-to-20-percent increase in our price of electricity can cost some of our citizens thousands of dollars and can mean the difference between profit and loss, adding jobs or letting people go. The purpose of environmental regulation should not be to hold back our economy or our ability to make a living. The most effective way to protect our environment is to ensure that our economy prospers so that the resources will be available to make improvements.

Please work with the nation's electric utilities to enact environmental regulations that will allow them to operate as efficiently as possible. Businesses need certainty to plan effectively. Please establish and publicize the conditions under which you will grant the one-year compliance extension so that utilities will know how much time they have to comply.

We all want a cleaner environment, but we need common sense regulation to keep our economy going. Overly stringent, inflexible regulations will harm our businesses, our communities, and our nation.

Thank you for the opportunity to comment.

Sincerely,


Mayor Greg Hines
City of Rogers



Correspondence Management System

Control Number: AX-11-001-3549

Printing Date: August 10, 2011 02:02:36



Citizen Information

Citizen/Originator: Sprouse, Doug

Organization: N/A
Address: 201 Spring Street, Springdale, AR 72764

Constituent: N/A

Committee: N/A Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3549 Alternate Number: N/A
 Status: Pending Closed Date: N/A
 Due Date: Aug 24, 2011 # of Extensions: 0
 Letter Date: Aug 4, 2011 Received Date: Aug 10, 2011
 Addressee: AD-Administrator Addressee Org: EPA
 Contact Type: LTR (Letter) Priority Code: Normal
 Signature: DX-Direct Reply Signature Date: N/A
 File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.
 Subject: Daily Reading File DOT and EPA developing national fuel economy standards for 2017-2025 share views.
 Instructions: DX-Respond directly to this citizen's questions, statements, or concerns
 Instruction Note: N/A
 General Notes: N/A
 CC: OCIR - Office of Congressional and Intergovernmental Relations
 OEAE - Office of External Affairs and Environmental Education
 OP - Office of Policy
 R6 - Region 6 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 10, 2011	Aug 24, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History

DAILY READING FILE



August 4, 2011

The Honorable Lisa Jackson
Administrator
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Ave. N.W.
Washington, DC 20460

Mayor Doug Sprouse

201 Spring Street
Springdale, Arkansas 72764
(479) 750.8114
(479) 750.8559 fax
www.SpringdaleAR.gov

Re: Docket No. EPA-HQ-OAR-2011-0044

Dear Administrator Jackson,

As the Mayor of the City of Springdale, I wanted to write and express my city's concerns about new environmental proposals that will affect the price of electricity.

Our residents and businesses understand the need to improve the quality of our air and to protect our environment, but we also are concerned about the cost of new regulations. We have been advised by our electric utilities that the hazardous air pollutants rule and other proposed rules could result in double-digit price increases. We also are told that these price increases could be deferred or mitigated if the EPA adopts more flexible regulations.

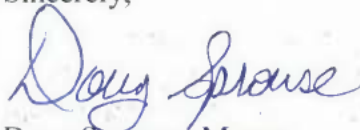
As a municipality, energy costs are a significant consideration. A 10-to-20-percent increase in our price of electricity can cost our city thousands of dollars. For our business community, such a price increase can mean the difference between profit and loss, adding jobs or letting people go. The purpose of environmental regulation should not be to hold back our economy or our ability to make a living. The most effective way to protect our environment is to ensure that our economy prospers so that the resources will be available to make improvements.

Please work with the nation's electric utilities to enact environmental regulations that will allow them to operate as efficiently as possible. Businesses need certainty to plan effectively. Please establish and publicize the conditions under which you will grant the one-year compliance extension so that utilities will know how much time they have to comply.

We all want a cleaner environment, but we need common sense regulation to keep our economy going. Overly stringent, inflexible regulations will harm our businesses, our communities, and our nation.

Thank you for the opportunity to comment.

Sincerely,


Doug Sprouse, Mayor

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2011 AUG 10 PM 12:34
OFFICE OF THE
EXECUTIVE SECRETARIAT



Correspondence Management System

Control Number: AX-11-001-3550

Printing Date: August 10, 2011 02:05:43



Citizen Information

Citizen/Originator: Guest, Larry L.

Organization: City of Elberton (Georgia)

Address: P.O. Box 70, Elberton, GA 30635-0070

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3550

Alternate Number: N/A

Status: Pending

Closed Date: N/A

Due Date: Aug 24, 2011

of Extensions: 0

Letter Date: Aug 5, 2011

Received Date: Aug 10, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: LTR (Letter)

Priority Code: Normal

Signature: AA-OAR-Assistant Administrator

Signature Date: N/A

- OAR

File Code: 404-141-02-01_141_a(2) Copy of Controlled and Major Correspondence Record of the EPA Administrator and other senior officials - Electronic.

Subject: Daily Reading File- We have major concerns regarding several provisions of the proposed electric generating unit maximum achievable control technology rules. Request EPA consider these concerns and evaluate impact.

Instructions: AA-OAR-Prepare draft response for signature by the Assistant Administrator for OAR

Instruction Note: N/A

General Notes: N/A

CC: OCIR - Office of Congressional and Intergovernmental Relations
OEAE - Office of External Affairs and Environmental Education
OP - Office of Policy
R4 - Region 4 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 10, 2011	Aug 24, 2011	N/A
Instruction: AA-OAR-Prepare draft response for signature by the Assistant Administrator for OAR					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

DAILY READING FILE



CITY OF ELBERTON

P. O. Box 70

Elberton, Georgia 30635-0070

(706) 213-3100

www.cityofelberton.net

RECEIVED

2011 AUG 10 PM 12:43

OFFICE OF THE
EXECUTIVE SECRETARIAT

August 5, 2011

Hon. Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

Re: Docket ID Nos. EPA-HQ-OAR-2009-0234

Dear Administrator Jackson:

On behalf of the City of Elberton, Georgia, I am writing regarding the Environmental Protection Agency's (EPA) proposed electric generating unit maximum achievable control technology ("EGU MACT") rules. Our community-owned, not-for-profit electric utility serves 4,500 customers in Elbert County, Georgia. We supply electricity produced in part by coal-fired electric generating units that could be significantly impacted by the proposed EGU MACT rule – even though those coal units are already well-controlled for mercury and for criteria pollutants such as sulfur dioxide and nitrogen oxides.

We have major concerns regarding several provisions of the proposed rules. We respectfully request that EPA consider these concerns and evaluate the impact to our utility under the Small Business Regulatory Enforcement Fairness Act (SBREFA) and the Unfunded Mandates Reform Act (UMRA) (Chapters 17 A and 25 of Title 2 of the U.S. Code). We would also request that EPA evaluate the impact of the proposed rules under four presidential executive orders – EO 13563, Improving Regulation and Regulatory Review; EO 13132, Federalism; EO 12866, Regulatory Planning and Review; and EO 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, and Use. As a not-for-profit electric utility owned and operated by local government, we support these Executive Orders that call for reasonable and cost-effective regulations to achieve reductions in air pollution in a reasonable time-frame.

Our concerns include the following:

- The proposed rules create a risk of having to raise electricity rates, that could cause our customers economic hardship, particularly those negatively impacted by the current economic climate, such as the unemployed, the underemployed, and those with limited or fixed incomes.

- The proposed rule raises electricity reliability issues in some regions in 2014 when compliance with these rules begins. While EPA estimates that only 9 GW of coal-fired capacity may face retirement nationally because of the rules, other industry analysts and the North American Electric Reliability Corporation (NERC) estimate that at as many as 70 GW of capacity could face retirement.
- EPA's economic and reliability analysis in the proposed rules addresses only impacts from the proposed EGU MACT regulations. The analysis does not address the cumulative impacts from approximately eight major EPA rules affecting air, water, and wastewater from electric utilities in the next five to eight years.
- The proposed EGU MACT rules include many additional requirements beyond those to reduce mercury emissions. Control of other emissions under the EGU MACT rule may not be necessary or required under the Clean Air Act or based EPA's own hazardous air pollutants study. EPA should consider whether to decline to adopt the rules not related to control of mercury emissions.
- The statutorily imposed three-year time frame for compliance with the EGU MACT rules is too short. The electric industry needs at a minimum, an additional two years to avoid reliability issues that could arise when coal fired power plants must shut down for an extended period to retrofit emissions controls needed to comply with the rule . We respectfully encourage EPA to grant the one-year extension it is statutorily allowed to do and urge that a second year of extension is granted via a presidential order.
- EPA's own Regulatory Impact Analysis (RIA) appears to suggest that only 97 municipal utilities will be affected, and will face a compliance cost of only \$666.3 million annually. These costs appear to significantly underestimate the real impact and show no regional additional impacts in states such as Indiana, Ohio, Wisconsin, Michigan, Minnesota, Kentucky, Georgia, Alabama and Texas.

Thank you for your consideration.

Sincerely,



Larry L. Guest
Mayor

cc: Hon. Paul Broun, U.S. House of Representatives
Hon. Saxby Chambliss, U. S. Senate
Hon. Johnny Isakson, U. S. Senate

RECEIVED

2011 AUG 10 PM 12:34

OFFICE OF THE
EXECUTIVE SECRETARIAT

August 3, 2011

The Honorable Lisa Jackson
Administrator
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Ave. N.W.
Washington, DC 20460

Re: Docket No. EPA-HQ-OAR-2011-0044

Dear Administrator Jackson,

On behalf of board and investors of the North Louisiana Economic Partnership (NLEP), I am writing to offer our concerns about the new environmental proposals being put forth that that will affect the price of electricity. The NLEP is a private, non profit regional economic development marketing organization serving a region of 800,000 in 14 parishes of northern Louisiana. The region includes the Shreveport-Bossier and Monroe MSAs, three micropolitan areas and a group of rural communities.

Our organization understands the need to improve the quality of the air and to protect our environment. We have no issue with making changes, but we are concerned about the cost and timing of new regulations. Affordable and reliable power is key component of economic development asset for our region and many others. Electric utilities serving our area, there are four, have shared that the hazardous air pollutants rule and other proposed rules could result in double-digit price increases. We also understand that price rises could be deferred/mitigated, if the EPA adopted more flexible regulations that allow time to meet new requirements.

As a group supporting investment and job creation by business, we know energy costs are a significant consideration and cost factor. A 10-20% increase in our price of electricity likely would affect the ability of some companies to compete (and even choose our region), particularly in the short-term. It also might mean that companies would reduce workforce or delay hiring as a result. We know everyone wishes to avoid such impacts if possible. The NLEP believes that environmental regulation should enhance and not hold back our economy. The most effective way to protect our environment is to ensure that our economy prospers to ensure that resources are available to make improvements.

We ask that your team at the EPA to work with the nation's electric utilities to enact environmental regulations on this rule and any others so they can operate as efficiently as possible. Please establish and publicize the conditions under which the EPA would grant the one-year compliance extensions, so utilities can determine how much time they have to comply. Enough time to cost effectively comply would be a win-win for all. We all want a cleaner environment. We hope that this goal can occur while keeping our economy vibrant and moving forward.

Thank you for the opportunity to comment.

Sincerely,



W. Kurt Foreman
President



Correspondence Management System

Control Number: AX-11-001-3552

Printing Date: August 10, 2011 01:52:10



Citizen Information

Citizen/Originator: Snyder, Kathleen T.

Organization: Maryland Chamber of Commerce
Address: 60 West Street, Annapolis, MD 21401-2479

Constituent: N/A

Committee: N/A Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3552 Alternate Number: N/A
 Status: Pending Closed Date: N/A
 Due Date: Aug 24, 2011 # of Extensions: 0
 Letter Date: Aug 3, 2011 Received Date: Aug 10, 2011
 Addressee: AD-Administrator Addressee Org: EPA
 Contact Type: LTR (Letter) Priority Code: Normal
 Signature: DX-Direct Reply Signature Date: N/A
 File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.
 Subject: Daily Reading File - National Ambient Air Quality Standard for Ground Level Ozone
 Instructions: DX-Respond directly to this citizen's questions, statements, or concerns
 Instruction Note: N/A
 General Notes: N/A
 CC: OEAE - Office of External Affairs and Environmental Education
 OP - Office of Policy
 R3 - Region 3 - Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 10, 2011	Aug 24, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History

Action By	Office	Action	Date
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GET CONNECTED

August 3, 2011

Lisa Jackson, Administrator
United States Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Room 3000
Washington, DC 20460

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2011 AUG 10 PM 12:34
OFFICE OF THE
EXECUTIVE SECRETARIAT

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PATH - ALLEGHENY

PEPCO HOLDINGS, INC.

VERIZON

Re: National Ambient Air Quality Standard for Ground Level Ozone

Dear Ms. Jackson:

The Maryland Chamber of Commerce represents a large number of large and small Maryland businesses. As you know, our State has been a leader in improving air quality. Maryland businesses have proudly stepped up and achieved more than their share in improving air quality. Even with our great effort, our State is not meeting the current standard and most of the reason is that much of our pollution comes in from out-of-State.¹ Therefore, while we are advocates for additional action, we urge you to not unnecessarily derail our economic recovery.

Maryland businesses appreciate the imperative to continue our momentum toward a cleaner environment. However, we are concerned about regulatory impacts on the current fragile economy. Our concern relates to Environmental Protection Agency's (EPA's) upcoming rule on ground-level ozone. We support EPA's mandate to issue health-based National Ambient Air Quality Standards (NAAQS), but advocate that the mandate be fulfilled in the most cost-effective manner, incorporating all possible flexibilities. Aware of your recently announced delay of standard promulgation, we suggest that EPA use the delay to take into account all of the economic impacts a new ozone NAAQS standard may have and how flexible implementation mechanisms could reduce the burden. We also suggest that states that have done the most to achieve NAAQS (downwind states) be provided with more time to measure the affect of corrective actions taken by upwind states ahead of imposing new requirements.

Members of the Maryland Chamber value clean air and appreciate the opportunity to voice our concerns as your agency implements measures to achieve it.

Sincerely,

Kathleen T. Snyder, CCE
President and CEO

¹ at certain times as much as 70 percent of the pollution in our air comes from other state - conclusions of atmospheric sampling and modeling studies carried out by Maryland Department of Environment.



Correspondence Management System

Control Number: AX-11-001-3554

Printing Date: August 10, 2011 01:50:07



Citizen Information

Citizen/Originator: Snyder, Kathleen T.

Organization: Maryland Chamber of Commerce
Address: 60 West Street, Annapolis, MD 21401-2479

Constituent: N/A

Committee: N/A Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3554 Alternate Number: N/A
Status: Pending Closed Date: N/A
Due Date: Aug 24, 2011 # of Extensions: 0
Letter Date: Jul 25, 2011 Received Date: Aug 10, 2011
Addressee: AD-Administrator Addressee Org: EPA
Contact Type: LTR (Letter) Priority Code: Normal
Signature: AA-OAR-Assistant Administrator Signature Date: N/A
- OAR

File Code: 404-141-02-01_141_a(1) Controlled and Major Corr. Record copy of of the offices of the EPA Administrator & other senior officials - Nonelectronic

Subject: Daily Reading File- The Maryland Chamber of Commerce encourages NHTSA and EPA to adopt a single, national fuel economy standard that considers America's needs for increased fuel economy.

Instructions: AA-OAR-Prepare draft response for signature by the Assistant Administrator for OAR

Instruction Note: N/A

General Notes: N/A

CC: OEAE - Office of External Affairs and Environmental Education

OP - Office of Policy

R3 - Region 3 - Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 10, 2011	Aug 24, 2011	N/A
Instruction: AA-OAR-Prepare draft response for signature by the Assistant Administrator for OAR					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History

DAILY READING FILE



GET CONNECTED

July 25, 2011

The Honorable Ray LaHood
Secretary
Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Lisa Jackson
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20004

RECEIVED
2011 AUG 10 PM 12:34

OFFICE OF THE
EXECUTIVE SECRETARIAT

RE: Fuel Economy Standards

Dear Secretary LaHood and Administrator Jackson:

The Maryland Chamber of Commerce advocates on proactive policies that address jobs, the economy and energy security in a manner that will help Maryland grow toward a more secure future. Transportation is a top priority for the Maryland Chamber, and it is a critical component of Maryland's economic vitality. We have recently learned of interest groups in a number of states, including Maryland, pushing for significant fuel economy standards. Given that your agencies are now developing national fuel economy standards for 2017-2025, the Maryland Chamber would like to share its views on the issue.

Safe, efficient and reliable transportation impacts every individual, family and business in Maryland. Jobs are also tied to cost effective of transportation. With the recent increase in gas prices and turmoil in the Middle East, reducing fuel use and dependence on foreign oil are on all our minds. We support your efforts to improve fuel economy by laying out a long-term program, but encourage you to carefully consider a balanced and thoughtful approach.

The Maryland Chamber encourages NHTSA and EPA to adopt a single, national fuel economy standard that considers America's needs for increased fuel economy while preserving choices for families and businesses to meet their transportation needs without sacrificing affordability, safety, or jobs. NHTSA and EPA have already set strong standards for 2012-2016 that raise the fleet average by 40% to 35 miles per gallon.

It is important that standards for 2017-2025 support a broad range of consumer needs in terms of utility and function, including vehicles designed for large families and small businesses that are able to carry out the day-to-day needs. The next phase of fuel economy standards should not pick winners and losers, but should support a variety of technologies and fuel diversity to preserve affordability.

The Maryland Chamber encourages you to carefully balance the factors that impact sensible fuel economy standards, including consumer choice, affordability and the economic concerns that weigh on our nation's fragile recovery.

Sincerely,

Kathleen T. Snyder, CCE
President and CEO

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PEPCO HOLDINGS, INC.
VERIZON



Correspondence Management System

Control Number: AX-11-001-3555

Printing Date: August 10, 2011 01:58:09



Citizen Information

Citizen/Originator: Tillis, Thom

Organization: Office of the Speaker, North Carolina House of Representatives
Address: North Carolina House of Representatives State Legislative Bu, Raleigh, NC 27601-1096

Constituent: N/A

Committee: N/A **Sub-Committee:** N/A

Control Information

Control Number: AX-11-001-3555 **Alternate Number:** N/A
Status: Pending **Closed Date:** N/A
Due Date: Aug 24, 2011 **# of Extensions:** 0
Letter Date: Jul 25, 2011 **Received Date:** Aug 10, 2011
Addressee: AD-Administrator **Addressee Org:** EPA
Contact Type: LTR (Letter) **Priority Code:** Normal
Signature: AA-OAR-Assistant Administrator **Signature Date:** N/A
- OAR

File Code: 404-141-02-01_141_a(2) Copy of Controlled and Major Correspondence Record of the EPA Administrator and other senior officials - Electronic.

Subject: Daily Reading File- As you consider the development of national fuel economy standards, please weigh the economic impact of these standards, including consumer choice, affordability and economic concerns

Instructions: AA-OAR-Prepare draft response for signature by the Assistant Administrator for OAR

Instruction Note: N/A

General Notes: N/A

CC: OCIR - Office of Congressional and Intergovernmental Relations
OEAE - Office of External Affairs and Environmental Education
OP - Office of Policy
R4 - Region 4 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 10, 2011	Aug 24, 2011	N/A
Instruction: AA-OAR-Prepare draft response for signature by the Assistant Administrator for OAR					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

DAILY READING FILE



Office of the Speaker
North Carolina House of Representatives
Raleigh, N.C. 27601-1096

RECEIVED
2011 AUG 10 PM 12:34
OFFICE OF THE
EXECUTIVE SECRETARIAT

THOM TILLIS
SPEAKER

July 25, 2011

The Honorable Ray LaHood
Secretary
Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Lisa Jackson
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20004

Dear Secretary LaHood and Administrator Jackson:

On behalf of the North Carolina House of Representatives, please accept the following comments regarding the development of national fuel economy standards for 2017-2025. Transportation is a critical component of North Carolina's economic engine – not only is it required for moving goods, services, and people around our state, but transportation-related industries provide thousands of our citizens with jobs. As you consider the development of national fuel economy standards, please weigh the economic impact of these standards, including consumer choice, affordability and the economic concerns that strain on our nation's already fragile economic climate.

Transportation policy continues to be an important piece of the nation's overall energy policy debate but must be considered in the context of the economic engine it both creates and sustains. Therefore, while there is general support to improve fuel economy by laying out a long-term program, it should be a balanced and thoughtful approach that does not further impact a strained economy nor hamper its recovery.

North Carolina is struggling in the current economy, and the transportation sector is not immune. National census data show a net job loss of almost 4,000 jobs between 2009 and 2010 (2Q) in our transportation sector. A compilation of specific job loss data from the State Employment Security Commission report the number of people making auto parts fell 15% statewide between 1999 and 2008. Specific examples of recent job losses include:

- Eaton trimmed 47 of 198 jobs at its factory making hydraulic hoses in Forest City;
- German axle maker Gertrag laid off 141 of 500 workers in Maiden;
- NGK Ceramics USA in Mooresville, which makes parts for catalytic converters, eliminated 85 of its 476 employees;
- Automotive Motors in Thomasville closed its doors and put 104 out of work;

July 25, 2011

- Auto Truck Transport announced plans to do away with 150 of 275 jobs in Cleveland because of Daimler production cuts;
- Daimler Trucks North America has eliminated more than 2,600 of its 3,880 jobs at factories in Cleveland, Gastonia, and Mount Holly and recently opened a truck assembly plant in Mexico;
- Goodyear Tire and Rubber cut overtime for about 3,000 employees in Fayetteville;
- AW North Carolina, which manufactures parts for Toyota transmissions, cut 280 of 1,110 jobs in Durham; and
- Cummins shed 180 full-time and 210 temporary workers at engine plants in Rocky Mount.

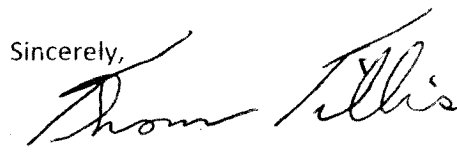
Increased fuel efficiency standards may further weaken the economy and lead to higher costs and greater job loss over that reported above. The Center for Automotive Research issued a forecast last month that developing and producing cars to meet a fuel efficiency range between 47 and 62 mpg by 2025 will increase the cost of a vehicle between \$3,744 and \$9,790. Under their most extreme scenario, the maximum fuel efficiency increase could cut more than 260,000 jobs and reduce annual auto sales by 5.5 million vehicles. In April of this year, the US Energy Information Administration reported a similar trend where higher vehicle prices related to a 6% annual increase in fuel economy standards could result in a 14% auto sales decline.

North Carolina's businesses and citizens all share the need for affordable transportation. The next phase of fuel economy standards should not pick winners and losers but should support a variety of technologies and fuel diversity to preserve affordability. If fuel economy standards increase too quickly, resulting in more expensive vehicles, many of our State's consumers can be expected to hold on to their older vehicles longer and defer buying a new car, which could put even more jobs across our state and nation at risk. Deferred vehicle replacement could also have the unintended consequence of delaying compliance with federal air quality standards.

We encourage NHTSA and EPA to adopt a single, national fuel economy standard that considers America's needs for increased fuel economy while preserving the choices for families and businesses to meet their transportation needs without sacrificing affordability, safety, or jobs. NHTSA and EPA have already set strong standards for 2012-2016 that raise the fleet average by 40% to 35 miles per gallon.

Looking forward, technology improvements should continue to support increases in fuel economy. However, we hope you recognize that overreaching regulations can place a significant cost burden on individuals, families, and businesses in North Carolina and the nation.

Sincerely,

A handwritten signature in black ink that reads "Thom Tillis". The signature is written in a cursive, flowing style.

Speaker Thom Tillis



Correspondence Management System

Control Number: AX-11-001-3557

Printing Date: August 10, 2011 02:02:56



Citizen Information

Citizen/Originator: Trammell, Jennifer G.

Organization: Greater Shelby County Chamber of Commerce

Address: 1301 County Service Drive, Pelham, AL 35124

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3557

Alternate Number: N/A

Status: Pending

Closed Date: N/A

Due Date: Aug 24, 2011

of Extensions: 0

Letter Date: Aug 1, 2011

Received Date: Aug 10, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: LTR (Letter)

Priority Code: Normal

Signature: DX-Direct Reply

Signature Date: N/A

File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.

Subject: Daily Reading File - EPA's Electric Utilities Air Toxics Rule. Docket ID No. EPA-HQ-OAR-2009-0234

Instructions: DX-Respond directly to this citizen's questions, statements, or concerns

Instruction Note: N/A

General Notes: N/A

CC: OEAE - Office of External Affairs and Environmental Education

OP - Office of Policy

R4 - Region 4 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 10, 2011	Aug 24, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History

Action By	Office	Action	Date
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DAILY READING FILE

G R E A T E R

SHELBY COUNTY

CHAMBER OF COMMERCE

RECEIVED

2011 AUG 10 PM 12:31

OFFICE OF THE
EXECUTIVE SECRETARIAT

Jennifer G. Trammell, President & CEO
1301 County Services Drive
Pelham, AL 35124

Lisa P. Jackson, Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

RE: EPA's Electric Utilities Air Toxics Rule, *Docket ID No.: EPA-HQ-OAR-2009-0234*

Dear Administrator Jackson,

As a business leader and citizen of the State of Alabama, I urge the EPA to exercise restraint in the adoption of the proposed Electric Utility Air Toxics Rule. This rule, Utility MACT, would impose stringent emission standards on coal-fired electric power generation plants. It is one of the most expensive regulations in EPA history and threatens the reliability of our nation's electric system. I am alarmed by the speed with which this rule was proposed and considered, and even more concerned by the short timeline for compliance. I urge the EPA to refrain from adopting this rule or, in the alternative, to provide a reasonable timeline for compliance.

Alabama is home to nine coal-fired power plants that employ more than 1,500 workers. We rely on coal to supply nearly 60 percent of our power generation needs. Like many states, Alabama is struggling to allocate limited resources during this difficult economic time. Simultaneously, we are soliciting new business development in an effort to boost economic growth and create job opportunities. If adopted, this regulation threatens to drive up utility prices, jeopardize reliability, and discourage business development in our state.

The cost of compliance with Utility MACT will be astronomical. The EPA puts the price tag at \$10.9 billion annually, making it one of the most expensive regulations in Agency history. The cost is even more impressive when one considers that Alabama Power, the state's largest utility, has already invested \$2.6 billion to install technologies, namely SCRs and scrubbers, to reduce emissions from its coal-fired units. As a result of their investment, emissions of NOx and SO2 have dropped approximately 65 percent since 1996. For the EPA to choose this time to issue such stringent new standards is unreasonable and unfounded. Any incremental environmental benefit that might result from this proposed standard is vastly outweighed by the devastating blow it would deal to utilities companies and their customers.

As a result of the massive cost of complying with this regulation, utility companies in the region will have to consider whether to undertake additional retrofits to their units, or simply shut down those units altogether. In Alabama and across the nation, the majority of coal-fired units that do not have scrubbers are small units. It is those units for which the cost of upgrades may be too expensive to be prudent. Closing them will result in lost jobs and decreased local revenue.

The timeline for compliance with the proposed Utility MACT is unreasonably short. All necessary unit upgrades would have to be completed by 2015. Whether the required technology can even be designed and manufactured in three years is highly doubtful. Further, installation will take significant time, and could result in temporary interruptions in service. Power generation facilities are part of an interconnected grid. Upgrades at one plant could affect service across an entire region. This could also lead to a reduction

in reserve margins which further threatens reliability. A decline in reliable power generation will be an inconvenience for individuals and a hindrance to business at a time when our economy can afford neither. For these reasons, we urge the EPA to consider a more reasonable compliance schedule.

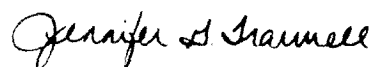
The effects of this rule become even more alarming when considered amidst the EPA's broader regulatory landscape. The Edison Electric Institute conducted a study of the overall impact of all proposed EPA regulations and found that half of the U.S. coal fleet may be unavailable by 2015, due to insufficient time to install required controls or find replacement generation sources. In addition to Utility MACT, the EPA's proposed new limits on the disposal of coal residuals, or coal ash, will cost utility providers nationwide up to \$20 billion over the next 50 years, according to the EPA's own estimate. (This is in addition to the costs utility providers have incurred in managing the safe disposal of coal ash over the past 50 years.) The EPA's proposed new ozone limits are another matter of concern. The EPA has proposed lowering permissible ozone limits from 0.075 ppm to between 0.060-0.070 ppm. If lowered to 0.060 ppm, 13 of Alabama's 14 monitored counties will move to non-attainment status. Nationwide, 85 percent of monitored counties will move to non-attainment. According to the EPA's own estimates, the cost of coming into attainment will be between \$20 and \$90 billion annually. Analysis by Manufacturers' Alliance/MAPI found that the new standard could cost up to 7 million jobs by 2020. In addition to the cost in jobs and dollars, moving 13 of Alabama's counties to non-attainment status will essentially close these counties to new business at the very time we are trying to grow the economy.

Another concerning development is the recently finalized Cross-State Air Pollution Rule. This rule is directed at 27 states, including Alabama, and requires reductions in already controlled emissions. The cost of this rule for coal-fired utility providers in the impacted states is estimated at \$2.4 billion annually. Finally, we have great concern about the EPA's Cooling Water Intake Rule, which is designed to protect fish from being drawn into cooling water systems at large power plants and industrial facilities. This will require Alabama plants to either monitor the mortality rates of specified fish, or demonstrate that the plant meets certain design criteria. Alabama Power alone has nine cooling water intake systems subject to this rule. The Chairman of the U.S. House Energy and Commerce Committee recently estimated the cost at up to \$300 million per site for coal-fired plants. While the goal of protecting marine life is noble, a restrained and measured approach would better reflect the countervailing interest in protecting local citizens.

We appreciate that there are those who believe that these regulations will create a healthier environment. However, recent science belies such claims. For example, the new ozone limit is supposedly aimed toward reducing asthma rates. However, from 1980-2009, asthma rates increased from 3.1 percent of the population to 8.2 percent, while two of the key emissions from coal-fired plants, SO₂ and NO_x, fell approximately 70 percent. Such evidence, which is exemplary of other research that has been performed, raises significant doubt as to the link between air quality and asthma.

As citizens of the State of Alabama, we want to emphasize our goals of clean air, land, and water. As business leaders, we have a vested interest in a clean environment, first for our families, and second for the development of new business in this region. At the same time, we believe that in these challenging economic times, new regulations that come with costs far exceeding any additional incremental benefit must be approached with great caution and restraint. We would thus call upon the EPA to perform a true economic analysis, evaluating the proposed Utility MACT in light of the crushing onslaught of draconian regulations being imposed upon the utility industry today. We urge the EPA to adopt more flexible standards and reasonable compliance timelines, which will achieve the Agency's goals while ensuring affordable utility bills, stable jobs and reliable power.

Sincerely,



Jennifer G. Trammell
President & CEO
Greater Shelby County Chamber of Commerce



Correspondence Management System

Control Number: AX-11-001-3697

Printing Date: August 12, 2011 02:47:03



Citizen Information

Citizen/Originator: Crimmins, Carl

Organization: Minesota Pipe Trades Association
Address: 411 Main Street, Saint Paul, MN 55102

Constituent: N/A

Committee: N/A Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3697 Alternate Number: N/A
 Status: Pending Closed Date: N/A
 Due Date: Aug 26, 2011 # of Extensions: 0
 Letter Date: Jul 29, 2011 Received Date: Aug 12, 2011
 Addressee: AD-Administrator Addressee Org: EPA
 Contact Type: LTR (Letter) Priority Code: Normal
 Signature: DX-Direct Reply Signature Date: N/A
 File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.

Subject: Daily Reading File - Given that your agencies are now developing national fuel economy standards for 2017-2025, I want to share my views.

Instructions: DX-Respond directly to this citizen's questions, statements, or concerns

Instruction Note: N/A

General Notes: N/A

CC: OEAE - Office of External Affairs and Environmental Education
 OP - Office of Policy
 R5 - Region 5 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 12, 2011	Aug 26, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History

Action By	Office	Action	Date
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MINNESOTA PIPE TRADES ASSOCIATION

Affiliate of the United Association
Composed of Journeyman and Apprentices of the Plumbing and Pipe Fitting Industry
Of the United States and Canada
State Federation of Labor – A.F.L.-C.I.O.

July 29, 2011



Carl D. Crimmins, President
411 Main Street – Room 309
St. Paul MN 55102
(651) 291-5001
(651) 228-0068 (FAX)

John Grahek, Secy.-Treas.
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Virginia, MN 55792
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Duluth-Detroit Lakes
Plumbers and Pipefitters
Local #11

Minneapolis-St. Cloud
Plumbers
Local #15

Minneapolis-St. Cloud
Pipefitters
Local #539

Minneapolis
Sprinkler Fitters
Local #417

Minneapolis
Gas Workers
Local #340

Moorhead
Plumbers and Pipefitters
Local #300

Rochester
Plumbers and Pipefitters
Local #6

St. Paul – Mankato
Plumbers
Local #34

St. Paul – Mankato
Pipefitters
Local #455

Virginia
Plumbers and Pipefitters
Local #589

Road Sprinkler Fitters
Local #669
District 28

The Honorable Ray Lahood
Secretary
Department of Transportation
1200 New Jersey Avenue, SE
Washington, DC 20590

The Honorable Lisa Jackson
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20004

Dear Secretary LaHood and Administrator Jackson:

Reliable, safe and affordable transportation impacts jobs, businesses and the economy. In the construction industry, the businesses who employ our members rely heavily on a variety of vehicles to conduct their business every day. Given that your agencies are now developing national fuel economy standards for 2017-2025, I wanted to share my views.

I am concerned that your agencies are going down a regulatory path on fuel economy that will result in job loss and other harmful costs to the economy. I encourage NHTSA and EPA to adopt a single, national fuel economy standard that considers America's needs for increased fuel economy without sacrificing affordability, safety or jobs. NHTSA and EPA have already set strong standards for 2012-2016 that raised the fleet average by 40% to 35 miles per gallon. Looking forward, technology improvements should continue to support increases in fuel economy and greenhouse gas standards. However, overreaching regulations can place a significant cost burden on all businesses, including those in the construction industry.

A "one-size-fits-all" approach does not work for the construction industry. Every day, others like me – plumbers, pipefitters, electricians, construction workers, and building contractors – depend on a variety of transportation needs, and it is vital that we have vehicles that fit our business needs and remain affordable. Our trades are still recovering from the recession and have a long way to go. Aggressive fuel economy standards that would raise the cost of vehicles would put us at an even further disadvantage, resulting in the loss of competitiveness, profitability and jobs.

The next phase of fuel economy standards for 2017-2025 should not pick winners and losers, but should support a variety of technologies and fuel diversity to preserve affordability. I encourage you to carefully balance these factors as you weigh sensible fuel economy standards, especially as our nation's fragile economy continues to recover.

Sincerely,

Carl Crimmins,
President, Minnesota Pipe Trades Association

CDC/dmc

RECEIVED
2011 AUG 12 PM 1:28
OFFICE OF THE
EXECUTIVE SECRETARIAT



Correspondence Management System

Control Number: AX-11-001-3703

Printing Date: August 12, 2011 03:20:42



Citizen Information

Citizen/Originator: Foerter, David C.

Organization: Institute of Clean Air Companies
Address: 1220 North Fillmore Street, Arlington, VA 22201

Slaughter, Carolyn A.

Organization: Institute of Clean Air Companies
Address: 1220 North Fillmore, Arlington, VA 22201

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3703

Alternate Number: N/A

Status: Pending

Closed Date: N/A

Due Date: Aug 26, 2011

of Extensions: 0

Letter Date: Aug 12, 2011

Received Date: Aug 12, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: LTR (Letter)

Priority Code: Normal

Signature: DX-Direct Reply

Signature Date: N/A

File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.

Subject: Daily Reading File - The Institute for Clean Air Companies has promoted the air pollution control industry and encouraged improvement of engineering and technical standards since 1960. Our members are leading manufacturers of equipment to monitor and control emissions of particulate, VOC, 502, NOx, air toxics and greenhouse gases.

Instructions: DX-Respond directly to this citizen's questions, statements, or concerns

Instruction Note: N/A

General Notes: N/A

CC: OEAE - Office of External Affairs and Environmental Education
OP - Office of Policy
R3 - Region 3 - Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 12, 2011	Aug 26, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A



INSTITUTE OF
CLEAN
AIR
COMPANIES

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Telephone 703-812-4811
www.icac.com

David C. Foerter, *Executive Director*
Email: dfoerter@icac.com

August 11, 2011

Lisa Jackson, Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington D.C. 20460

Dear Administrator Jackson,

The Institute for Clean Air Companies has promoted the air pollution control industry and encouraged improvement of engineering and technical standards since 1960. Our members are leading manufacturers of equipment to monitor and control emissions of particulate, VOC, SO₂, NO_x, air toxics and greenhouse gases.

We understand that the EPA has been working hard to streamline and improve their regulations while preserving public health and safety. In that spirit we would like to offer the Agency our support to ensure the objectives of the Clean Air Act are realized as affected sources comply with increasingly stringent air quality requirements.

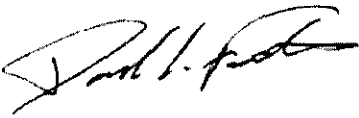
Current regulations have a vulnerability in the air pollution measurement process. As a result of tightening emissions standards, generic 'zero gases' are unable to provide accurate baselines for monitoring equipment. Emission limits have increasingly fallen to a point where the accuracy of low level measurement is of concern, thus requiring a verified zero gas protocol. A simple modification to existing regulations to establish a NIST traceable zero gas will improve compliance assurance from calibration gas suppliers, continuous emission monitors and ultimately end-users. This improvement is vital to emissions trading programs like the Cross State-Air Pollution Rule and the proposed National Emissions Standards for Hazardous Air Pollutants from Coal and Oil Fired Electric Generating Units. Please note ICAC's comments on the proposed utility air toxics rule regarding the need to increase industry's confidence in low level mercury measurement. The document identification number in the docket is EPA-HQ-OAR-2009-0234-17622.

At present a variety of different grades of gases can be used to "zero" an instrument so long as that gas is vendor 'certified' to contain less than the quantities stated in CFR 40 72.2. However, it is common to find a variety of grades of gases in the field that are not routinely analyzed during packaging, but are being sold and used to 'zero' instrumentation. Welding grade nitrogen, industrial grade argon, and breathing air, etc. are being used. These grades can theoretically be used, but only if properly certified by the calibration gas supplier; and many suppliers are not performing the required analysis and certification. It is highly unlikely, though, that these grades of gases would contain less than the maximum levels of at least some of the trace gases stipulated by 40 CFR 72.2.

ICAC recommends EPA modify CFR 40 Parts 72.2, 86.114-94, and 1065.750 to require a NIST-traceable zero gas to ensure the accuracy of zero gases. This would require a NIST "check gas" (either a Standard Reference Material (SRM) or a NIST Traceable Reference Material (NTRM) or NIST Reference Gas Material (RGM)) that each gas supplier would be required to use in calibrating their analyzer before certifying the range of detection limits. By necessity, this program would need to be coordinated through NIST to make sure that the gases are indeed available. Upon the amendment to 40 CFR 72.2 the current Blind Audits used for the Protocol Gas Verification Program could select the NIST traceable zero gases and they would be periodically checked for accuracy too.

We are pleased to support EPA in advancing this action, in an effort to ensure the accuracy of low level measurement.

Sincerely,

A handwritten signature in black ink, appearing to read "David C. Foerter". The signature is fluid and cursive, with a prominent loop at the end.

David C. Foerter, ICAC Executive Director

CC: Gina McCarthy, EPA
Joseph Goffman, EPA
Lawrence Weinstock, EPA
Laura Vaught, EPA
Patrick Gallagher, NIST
Frank Gunther, NIST

DAILY READING FILE



NPRA

Charles T. Drevna
President

National Petrochemical & Refiners Association

1667 K Street, NW
Suite 700
Washington, DC
20006

202.457.0480 voice
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cdrevna@npa.org

Filed Electronically

August 11, 2011

Administrator Lisa Jackson
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Mail Code: 1101A
Washington, DC 20460

Subject: Docket EPA-HQ-OAR-2010-0133 - Comments on EPA's proposal for 2012 RFS RVOs and biomass-based diesel volume for 2013

Dear Administrator Jackson:

NPRA, the National Petrochemical & Refiners Association, is pleased to provide comments on the Agency's proposal for 2012 RFS RVOs and biomass-based diesel volume for 2013 (76 FR 38844; 7/1/11). NPRA represents high-tech American manufacturers—fueling and building America's future. NPRA members produce virtually all refined petroleum products and petrochemicals manufactured in the United States, serving the American people responsibly and effectively. These manufacturers provide jobs, directly and indirectly, to 2 million Americans, economic and national security, and thousands of vital products to families and businesses throughout the United States.

NPRA appreciates the opportunity to submit suggestions on this proposal. Our members have been RFS obligated parties since implementation of RFS1 in September 2007.

We support the prudent development and use of biofuels to diversify our nation's transportation and nonroad fuels portfolio.

NPRA members are forced to confront the real world, rather than the fictional world of unrealistic and unattainable predictions on biofuels production, whether by EPA or biofuel promoters. In January 2011, President Obama signed Executive Order 13563, which states: federal regulation "must promote predictability and reduce uncertainty." NPRA members as obligated parties are concerned that the volumes in EPA's proposal for 2012 RVOs are based on very optimistic projections rather than actual production volumes or U.S. Energy Information Administration (EIA) forecast. As a result, the proposed rule provides little certainty to obligated parties and appears to conflict with this Executive Order.

NPRA sincerely hopes that EPA will substantially revise this proposal and publish realistic and economically achievable biofuel volume standards in the final rule that are based on sound market analysis.

Cellulosic biofuels

EPA proposes a range for the cellulosic biofuel volume in 2012 of between 3 and 15 million ethanol-equivalent gallons. This proposal comes on top of a mandate of 6 million ethanol-equivalent gallons for 2011. Based on the latest information available, to date – six months into 2011 – there have been no cellulosic biofuels produced or used in the United States, ethanol-equivalent or not.

The Clean Air Act directs EPA to project the amount expected to be sold or introduced into commerce based on credible facts, not based on press releases, hopes or wishes. No cellulosic biofuel RINs have been generated for the 12-month period of July 2010 – June 2011. This fact should suggest caution when selecting the regulatory volume for 2012.

EPA should not be cheerleader for cellulosic biofuels, because an unrealistically high mandate imposes unreasonable burdens on RFS obligated parties. In 2011, EPA's unrealistic cellulosic biofuels mandate will in effect be no more than a tax on American manufacturers and, ultimately, consumers. RFS obligated parties will have to buy up to 6 million cellulosic biofuel waiver credits from EPA at \$1.13/gallon-RIN in 2011 – this is a \$6.78 million tax that NPRA's members must pay due to EPA's misguided optimism regarding cellulosic biofuels production this year.

Biomass-based diesel

The Agency proposes 1.28 billion gallons as the biomass-based diesel volume for 2013. It would be prudent to consider an increase above the statutory minimum of 1.0 billion gallons only after it has been demonstrated that 1.0 billion gallons can be produced and blended.

It is unlikely that the regulatory 800 million gallons will be available in 2011. EIA publishes monthly biodiesel data in its "Monthly Energy Report (DOE/EIA-0035(2011/07))."¹ The July 2011 issue (released on July 27, 2011) shows that U.S. biodiesel production for 2009 was 506 million gallons; in 2010 it dropped to 311 million gallons; and that biodiesel consumption, which generates the D4 RIN credits, was much lower than production. It is unrealistic to expect domestic biodiesel blending volume to increase significantly this year to meet the regulatory volume of 800 million gallons, increase again in 2012 to meet the proposed regulatory volume of 1.0 billion gallons, and increase again to meet the proposed

¹ Available at http://www.eia.doe.gov/totalenergy/data/monthly/pdf/sec10_8.pdf

regulatory volume of 1.28 billion gallons in 2013. These annual steps are much too large for an industry that produced 311 million gallons in 2010.

The federal tax credit for biodiesel is set to expire at the end of 2011. Congress previously allowed the biodiesel tax credit to lapse – a lapse that shut down most of the nation’s biodiesel manufacturing capacity. This unsettled tax policy creates considerable uncertainty for the future of the nation’s biodiesel industry and the availability of biomass-based diesel for NPRA members to blend in 2012 and 2013. NPRA urges caution in setting the 2012 and 2013 biomass-based diesel volumes.

NPRA/API petition for 2011

In February 2011, NPRA and the American Petroleum Institute petitioned EPA to reconsider the RFS volumes for 2011. This petition addressed three topics:

- Cellulosic biofuels
- Advance biofuels
- Delayed RINs

NPRA appreciates the opportunity to clarify the reasons for submitting this petition and urges EPA to grant the petition. There is new information that was not available in 2010 when the Agency selected the RFS regulatory volumes for 2011. This new information is more than adequate to justify the requested reconsideration.

So far, there is only a single cellulosic biofuel production facility that is registered and currently eligible to generate cellulosic biofuel RINs – Range Fuels. This facility is not in operation. EPA is aware that no cellulosic biofuel RINs have been generated for the 12-month period of July 2010 – June 2011.

EIA reports that imports of ethanol from Brazil were 5 million gallons in 2009, zero in 2010, and zero so far in 2011. It is very doubtful that many millions of gallons of this product will be imported during the remainder of 2011. Therefore, it will not be available in sufficient quantities to help meet the advanced biofuel requirement.

Excess biomass-based diesel is unlikely because it is questionable that the regulatory 800 million gallons will be available in 2011. EIA’s biodiesel monthly production data make it unrealistic to expect domestic biodiesel supply to increase significantly this year to meet the regulatory volume of 800 million gallons, much less also provide excess supplies for compliance with the advanced biofuel requirement.

NPRA urges the Agency to avoid allowing the use of “delayed RINs” in the future.

Conclusions

We appreciate the opportunity to comment and propose that EPA address the following issues in the final rule:

- reduce the regulatory volumes for cellulosic and advanced biofuels and the total RFS in 2011;
- reduce the proposed regulatory volumes of biomass-based diesel in 2012 and 2013;
- lower the proposed levels for advanced biofuels in 2012 (2 billion gallons) and the total RFS (15.2 billion gallons) consistent with the reduced volumes of cellulosic biofuels and biomass-based diesel; and
- select a regulatory value for cellulosic biofuel for 2012 that reflects actual supply in 2011.

Specific comments are available in the attachment.

Sincerely,



Charles T. Drevna
President

Attachment

cc: Docket EPA-HQ-OAR-2010-0133
Margo Oge
Paul Machiele



Correspondence Management System

Control Number: AX-11-001-3728

Printing Date: August 15, 2011 02:05:06



Citizen Information

Citizen/Originator: Garvin, Shawn M.

Organization: Environmental Protection Agency

Address: Region 3 1650 Arch Street, Philadelphia, PA 19103-2029

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3728

Alternate Number: N/A

Status: For Your Information

Closed Date: N/A

Due Date: N/A

of Extensions: 0

Letter Date: Aug 11, 2011

Received Date: Aug 15, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: MEM (Memo)

Priority Code: Normal

Signature: SNR-Signature Not Required

Signature Date: N/A

File Code: 401_127_a General Correspondence Files Record copy

Subject: Daily Reading File 2011 Federal Managers' Financial Integrity Act Assurance FMFIA Letter

Instructions: For Your Information -- No action required

Instruction Note: N/A

General Notes: N/A

CC: N/A

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
No Record Found.					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
(b) (6) Personal Privacy	OEX	OCFO	Aug 15, 2011

History

Action By	Office	Action	Date
(b) (6) Personal Privacy	OEX	Control Created	Aug 15, 2011
(b) (6) Personal Privacy	OEX	Forward control to OCFO	Aug 15, 2011

Comments



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

MEMORANDUM

SUBJECT: FY 2011 Federal Managers' Financial Integrity Act Assurance Letter

FROM: Shawn M. Garvin *Shawn M. Garvin*
Regional Administrator (3RA00)

TO: Lisa P. Jackson
Administrator (1101A)

EXECUTIVE SECRETARIAT

OFFICE OF THE

2011 AUG 15 AM 5:47

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PURPOSE

In accordance with the *Federal Managers' Financial Integrity Act* (FMFIA) and Agency guidance, I am submitting the FY 2011 annual assurance letter attesting to the soundness of internal controls for Region III.

STATEMENT OF ASSURANCE

Under my leadership, Region III has assessed the effectiveness of its internal controls based on the five standards for internal control established by the Government Accountability Office. In my judgment, Region III complies with Federal Managers' Financial Integrity Act requirements, and the internal controls within Region III are adequate to reasonably ensure the protection of the programs, operations, functions, and resources for which I am responsible against fraud, waste, abuse, and mismanagement.

Additionally, in accordance with the American Recovery and Reinvestment Act of 2009 (Recovery Act) and Agency guidance, I can provide reasonable assurance that:

- All Recovery Act programs were managed effectively and efficiently, utilized reliable and accurate data to report achievement of program goals, and were in compliance with laws and regulations;
- All Recovery Act funds designated for Region III have been used solely for the purpose of that program and, if applicable, were awarded and distributed in a prompt, fair, and reasonable manner;
- Region III is monitoring the risks and internal controls identified in EPA's Recovery Act Stewardship Plan and is in compliance with the Stewardship Plan.

CERTIFICATION OF MANAGEMENT INTEGRITY TRAINING

I certify that the appropriate staff (Senior Executive Service employees, GS-15 managers and supervisors, and Management Integrity Advisors) has completed the Agency's on-line Management Integrity Training on Internal Controls as of July 1, 2011.

FRAMEWORK FOR ASSESSING INTERNAL CONTROLS

FMFIA provides the framework for EPA's Management Integrity Program and requires the Agency to establish and maintain a system of internal controls to ensure proper use of federal resources. The Region is responsible for establishing, conducting and reporting annually on the effectiveness of its internal controls to the Administrator.

Each organization within the Region has established processes, standard operating procedures and practices that serve as a framework for assessing internal controls. Each organization continues to work with their respective National Program Manager (NPM) and regionally established priorities to accomplish program goals and objectives. Additional information on Regional programs is provided in the discussion of the Region's overall programmatic operations.

The Region developed a process for identifying its key programs by using a two-tiered approach. First, the Regional FMFIA coordinator met with each of the Divisional FMFIA contacts and reviewed the FY 2011 Assurance Letter guidance, including: program review strategy, multiyear plan, assurance letter templates and the risk criteria matrix. Next, each organization identified its key programs by reviewing various components of the programs, including: the Annual Commitment System (ACS), NPMs' program review strategies and Standard Operating Procedures (SOP).

The key programs and review strategies were selected to fulfill both Regional and Headquarters (HQ) requirements for regulatory compliance and periodic review of operational areas. Using the recommended risk criteria matrix to examine the likelihood of occurrence and magnitude of impact, the Region ranked the program review strategies as high, medium or low risk. Please see **Attachments A1 and A2** for a complete list of program review strategies and internal control reviews conducted in FY 2011, which were adjusted (as applicable).

The Region uses the NPM guidance and associated ACS measures as the foundation for Regional planning and priority-setting. The guidance clearly outlines the essential work that must be completed during the upcoming year. The negotiation of ACS bids between HQ and Region III, and with the Regional States, determines the importance of various program areas. The Deputy Regional Administrator monitors mid-year results and holds a planning meeting with senior division leadership to discuss end-of-year results and out-year targets.

RESULTS OF INTERNAL CONTROL REVIEWS

Over Programmatic Operations

Please see **Attachments A1 and A2** for the various Regional programs that completed internal control reviews during FY 2011.

Over Recovery Act Operations

The scope of the internal control review was to evaluate the Region's monitoring activities for control objectives identified as high risk in the Agency's Recovery Act Stewardship Plan (RASP). For more specific details on the review, please review attachment AL Form 2011-006.

In accordance with the OGD 2009 Recovery Act Assistance Agreement Post-Award Monitoring Strategy guidance, the Grants Management and Audit Branch continues to conduct post award monitoring plan reviews which include ARRA grants. In addition, we are in compliance with the guidance's requirement that the grants specialists review monthly drawdown reports with the program offices to ensure recipient compliance with the Recovery Act's Section 1512 reporting process.

Over Financial Activities (OMB Circular A-123, Appendix A)

OMB Circular A-123 was issued under the authority of FMFIA to ensure Federal agencies take systematic and proactive measures to: develop and implement appropriate, cost-effective internal controls for results-oriented management; assess the adequacy of internal controls in Federal programs and operations; separately assess and document internal controls over financial reporting; identify needed improvements; take corresponding corrective action; and report annually on internal controls through management assurance statements. This year the Office of the Regional Comptroller was required to perform A-123 Internal Control Reviews of four high risk areas including:

(1) **The Recovery Act Stewardship Plan (RASP)** - This year, the A-123 Internal Control Review consisted of two parts. The first part was a Policy Verification Review performed by OCFO, Office of Financial Management (OFM), along with a contractor, Industrial Economics, Incorporated. They performed a detailed review of the American Recovery and Reinvestment Act of 2009 (ARRA) awards across EPA (Grants, Interagency Agreements and Contracts). The second part of the review was performed internally by an A-123 review team. This review focused on the medium risk monitoring activities not reviewed by the Policy Verification Team, and focused primarily on the Budget and Financial Reporting and Payroll functional areas of the RASP. Both reviews found some instances of noncompliance but corrective action has been taken (See attached AL Form 2011-006);



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(2) Unliquidated Obligations (ULOs) - The A-123 review team evaluated the key controls in place to ensure that all ULOs were reviewed and proper documentation was maintained to support the decision to deobligate or retain funds. Although we noted some deficiencies with the ULO Desktop Tool, we found that the Region had adequate control procedures in place to ensure that all ULOs were reviewed and proper documentation was maintained to support the decision to deobligate or retain funds. (See attached AL Form 2011-008 a, b & c);

(3) Superfund Site Identifier (SSID) ZZ Accounts - The objective of the ZZ review was to determine if the program offices had procedures in place to ensure they reviewed the \$71,389 of the Region's ZZ extramural charges for FY2011. Based on our review, we found that the Region had adequate control procedures in place to ensure proper charging and reassigning extramural ZZ charges and as a result, the \$71,389 in ZZ charges were moved to site-specific accounts (See attached AL Form 2011-010); and

(4) The Superfund State Contract (SSC) Process - The OIG identified an internal control material weakness involving the SSC process. The audit found that EPA did not properly review the calculations used to reconcile unearned revenue and there were errors and omissions on the SSC spreadsheet which is used by the Cincinnati Finance Center for estimating the SSC accruals for the financial statements. To address the weakness, a review of the Region's SSC accrual spreadsheet was performed to ensure that the data used to generate the accrual is consistent, accurate and complete. We selected a 25% random sample of the 81 SSC sites (including closed sites) using the first quarter FY 2011 spreadsheet. We reviewed the Regional SSC Coordinators' files to ensure proper documentation was available to support specific columns on the spreadsheet. The spreadsheet was also verified to determine if the total universe of sites and SSC credits were complete. Based on our sample, we found that the most current documentation supports the correct amount entered on the spreadsheet and that the total universe of sites and SSC credits are accurate and that the sites listed as closed on the spreadsheet were closed financially (See attached AL Form 2011-009a & b).

Please see the forms indicated above for detailed descriptions of these reviews. For all of the A-123 reviews, the following activities were undertaken: conducted interviews with Regional staff and documented their standard operating procedures both in a narrative format and by flowchart; performed a risk analysis of the procedures to determine if the internal controls were effective; performed compliance testing by selecting samples and evaluating the effectiveness of the controls; and identified any deficiencies and developed a corrective action plan.

CURRENT WEAKNESSES

The Region is the lead region for the Office of Environmental Information (OEI) who is responsible for addressing the current Agency Level Weakness for Electronic Content Management. The Region is supporting efforts to address this weakness.



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The Region has worked closely with OEI to develop a governance structure to address content management from an enterprise approach. A new subcommittee under the Agency's Quality Information Council (QIC) has been established and is chaired by the Deputy Assistant Administrators for OEI, OECA, OGC and Jim Newsom of Region III, as OEI Lead Region. In addition, representatives from Regions I, V and VII also serve on the subcommittee as leads and back up lead regions for OEI and OECA/OGC. The QIC Electronic Content Subcommittee will provide the governance structure for content management including researching and developing tools, approving policy and overseeing costs. Two workgroups, one on records management and one on eDiscovery, have been established under the subcommittee with strong Regional representation to develop policy and procedures. The workgroups are currently working on draft interim policies and procedures for the preservation of electronic content related to email records and files of separated employees.

Several Regions are also involved in piloting software tools and applications for Electronic Content Management. The Region is piloting the eDiscovery software tool Encase. Region II is piloting the eDiscovery software tools Relativity, Concordance and Equivio. Region VIII is piloting the Agency's new email interface application for saving email records. The results of the pilot projects will be used to inform the Electronic Content Management subcommittee's recommendations to the QIC on future policy or tool implementation.

The Regions will incur some cost associated with support. We worked with OEI to develop a proposal to present to the Working Capital Fund (WCF) board that established rates to cover costs for 2012. The pricing model was presented and approved at the August 4, 2011, WCF board meeting.

MANAGEMENT CHALLENGES AND POTENTIAL WEAKNESSES IDENTIFIED BY OIG, GAO, AND OMB

The Region does not have the lead for any of EPA's new management challenges or proposed weaknesses. However, we are providing updates for the following previously identified management challenges for which the Office of Administration (OA) and the Office of Water (OW) have the lead for the respective challenges.

Need for Greater Coordination of Environmental Effort (OIG)

In FY 2011, EPA established the Chesapeake Bay Total Maximum Daily Load (TMDL), a historic and comprehensive "pollution diet" with rigorous accountability measures to initiate sweeping actions to restore clean water in the Chesapeake Bay and the Region's streams, creeks and rivers. The TMDL is required under federal law and responds to consent decrees in Virginia and D.C. dating back to the late 1990s. The TMDL – the largest ever developed by EPA – includes pollution limits to meet water quality standards in the Bay and its tidal rivers. The TMDL is designed to ensure that all pollution control measures to fully restore the Bay and its tidal rivers are in place by 2025, with 60 percent of the actions completed by 2017. The TMDL is supported by rigorous accountability measures to ensure cleanup commitments are met,

including short-and long-term benchmarks, a tracking and accounting system for jurisdiction activities, and federal contingency actions that can be employed if necessary to spur progress. The Region's Water Protection Division (WPD) is playing a significant role through outreach activities that will help the overall restoration effort. The Chesapeake Bay jurisdictions are currently developing Phase II Watershed Implementation Plans that should include details of how they will meet the expectations of the TMDL. The TMDL directly addresses the management challenges identified by OIG.

Reducing Pollution in the Nation's Waters (GAO)

The Region is facing challenges resulting from moving financial and personnel resources to Chesapeake Bay restoration efforts and the need to meet strategic measure commitment WQ-10 (number of water bodies identified by States as being primarily nonpoint source-impaired that are partially or fully restored.) In addition, dwindling state budgets are impacting progress. To address these challenges, the Region keeps in contact with our state contacts to address issues as they arise and to find effective solutions.

NEW OR EMERGING ISSUES

At this time, the Region does not believe the issues described below rise to the level of a material or Agency weakness. We will continue to monitor the issues and report as appropriate.

Marcellus Shale Development

One emerging area that has been a focus of our activities is energy extraction. Many Regional programs have been involved in efforts to control impacts to public health and the environment from mountaintop mining and natural gas extraction from the Marcellus Shale under Pennsylvania, West Virginia, Maryland, Virginia, and New York. Concerns around both have received national attention.

Natural gas extraction, including hydraulic fracturing, have come to the forefront recently due to the rapid acceleration of drilling and the subsequent environmental and health concerns that have been raised. The topic was also the subject of a series of New York Times articles which explored a number of questions surrounding natural gas extraction and the effect on the health of our waters.

Lessons learned during several gas releases and other incidents in 2011 necessitates a review of existing protocols and procedures for responding to environmental emergencies associated with natural gas operations and the development of new procedures as appropriate. The Region works collaboratively on the Marcellus Shale issue, the Regional programs participate in task force meetings, providing technical guidance and information on authorities and activities associated with drilling operations as appropriate.

State Capacity Building

State budgets are declining which is also compounded by Agency funding to support state programs being reduced. These budget cuts could limit the States' ability to implement delegated programs, States trying to return programs to the EPA, and/or increased work for EPA through worksharing agreements on activities that States cannot do. In addition, States are losing key positions due to buyouts and retirements, some of which are not being backfilled.

Reduced grant funds could impede States' abilities to carry out critical public health activities such as air quality monitoring, permitting, regulatory development and enforcement. This is occurring at a time when both the Region and the States are faced with implementing our core programs, including five new ambient air quality standards, new greenhouse gas programs, as well as ensuring that Marcellus Shale gas drilling activities are conducted in a safe and responsible manner. Meeting the deadlines prescribed in the Clean Air Act will become more problematic.

States are increasingly unable to assess potential hazardous waste sites in a timely way. The Region is also experiencing an increased demand for Superfund Program resources to deal with formerly-operating facilities which are no longer able to meet their commitments under RCRA. Additionally, funding shortfalls have implications for the States in meeting their statutory financial obligations at fund-lead Superfund National Priority List sites. At such sites, States must pay at least 10% of the cost of cleanup and assume responsibility for long-term operation and maintenance. If States are unable to fulfill their financial obligations, EPA will need to assess the potential environmental consequences of not proceeding with or halting clean up, operation and maintenance.

Emergency preparedness is a critical function being impacted, especially in Pennsylvania, which has severe travel restrictions making it difficult for staff to participate in training, planning meetings, exercises and pre-deployments. This lack of participation by state personnel during these preparedness activities will ultimately affect State/EPA coordination in the event of a significant environmental emergency.

Despite these constraints, the Region continues to maintain an excellent working relationship with our States. The Region provides training to the States and in some cases, reserves funds within State grants to provide training and direct travel support. In FY2011, the Region, along with Regions IV and VI, conducted two advanced inspector training sessions (WV and VA) and one stormwater inspector training class (which included both classroom and field/practical exercises). Over 100 inspectors and supervisors attended these sessions. This has helped the States continue to be successful in meeting targets.

The Region has also provided new grant funding since FY 2010 to ensure that States will have sufficient resources to develop and implement their Watershed Implementation Plans (WIPs). We are also developing data management and analytical tools to provide a common

platform for analyzing the jurisdictions' approaches to developing and refining their WIPs and to track progress in implementing them, thereby avoiding the need for States to develop their own models and analytical tools.

ACCOMPLISHMENTS AND BEST MANAGEMENT PRACTICES

State Revolving Loan Fund, including American Recovery and Reinvestment Act (ARRA)/Special Appropriation Act Projects (SAAPs)

The Inspector General (IG) released a report titled *EPA Region III Reduced Unliquidated Obligations under Water Program Assistance Agreements*. The Office of Inspector General (OIG) wrote that during an audit it was determined that the Region's escalation process for addressing project delays should be considered a best practice. The report states "While EPA has policies for baseline monitoring of assistance agreements, the Region accelerates the award or dispute resolution process, and directly contacts the recipient expressing concerns about lack of progress and requests they perform specific tasks to move the project. The Region's "escalation process" includes model letters addressing various scenarios from summarizing the pre-application meeting commitments, to failure to apply, to a lack of construction progress." The letters were included by HQ as Best Practices published in the Office of Water Annual Performance Report for 2010. In FY 2011, the Special Appropriation Act Projects (SAAP) team conducted 6 oversight grant reviews and one more will be completed before the end of the year. An Advanced Monitoring review of financial requirements of the Delaware Department of Natural Resources and Environmental Control oversight grant is scheduled for August 2011.

This year, the Office of Infrastructure and Assistance (OIA) ensured that American Recovery and Reinvestment Act of 2009 (ARRA) funds were used in accordance with mandates from Congress. As a best management practice, our project officers are doing weekly monitoring of financial drawdowns by program for ARRA. Because of our efforts, we are recognized by Headquarters as the national leader in administration/oversight of ARRA funds. Our efforts have set an example for the other Regions to follow to improve their programs. To date, OIA has conducted 20 ARRA inspections in FY 2011 to determine compliance with Buy American and Davis Bacon requirements at ARRA project sites. The results of these inspections are shared by way of an inspection report with the State and grant recipient, with corrective actions if needed.

Chesapeake Bay Program Office (CBPO)

CBPO has accomplished and used best practices to protect programs from fraud, waste, abuse and mismanagement. CBPO works to continually identify and prevent risks to its programmatic and administrative operations. For example:

- Internal Financial Mechanisms - CBPO and the Region's offices work closely on an annual review of CBPO's budget allocations.

- Science / Modeling - CBPO and the Region's Philadelphia office work in very close collaboration with our State partners on implementation of the Bay TMDL and its underlying analyses.
- Measurement and Accountability - CBPO has developed and made available *ChesapeakeStat*, a web-based repository of information for tracking the program's progress, and The Bay TMDL Tracking and Accounting System (BayTAS), a password-protected system for tracking implementation of the TMDL.
- Communication - CBPO and the Region's Philadelphia office have instituted numerous improvements in the exchange of information on a wide range of issues.

Grants

In FY 2010, the Region's Grants and Audit Management Branch (GAMB) performed a self-assessment of the status and effectiveness of grant operations – both administrative and programmatic. One of the areas identified as needing improvement was low usage of a Technical Review Checklist. The review of programmatic files revealed a lack of documentation to support baseline monitoring had been conducted in accordance with EPA grants procedures. To strengthen the overall management of our assistance agreements, each Division/Office was directed to include an annual self-assessment of its divisional grants programs into their Management Integrity Multi-Year Review Strategy for FY 2011 and 2012, as part of their FMFIA Annual Assurance Letter.

The Grants Center of Excellence within the Water Protection Division is recognized nationally. Best management practices include a standardized file format so that anyone picking up a file knows where to find information and project officers do peer-to-peer file reviews to catch anything that might be improved.

Increased Participation in Regional Emergency Preparedness and Response

In FY 2011, the Region continued to support EPA's Homeland Security efforts by developing capabilities and technical capacity in the area of emergency preparedness and incident response. Members of Office of Preparedness and Response actively participate in homeland security planning and exercise events in the Region. Additionally, the Response Support Corps (RSC) members have volunteered for additional training in becoming part of the Region's Radiation Task Force Leaders (RTFLs). Many of the RSC members are taking further ICS training to the 300 – 400 level and seeking to be trained in key leadership positions.

CERCLIS Data Quality (Superfund Site Remediation & Data Management)

During FY 2010, the Region's Office of Federal Facility Remediation and Site Assessment (OFFRSA) undertook a review of the process by which sites were coded into CERCLIS and information was inputted into CERCLIS for pre-remedial data. This process is of particular importance because inaccurate information has the potential to be available to the



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public. OFFRSA worked with the site assessment managers (SAMs) to evaluate the data entry process. As a result of the review, OFFRSA implemented new review procedures to ensure data accuracy whereby the Branch Chief approves pre-remedial data prior to it being entered into CERCLIS.

Human Resources –Rotation Pilot Program Evaluation

The Region’s Hazardous Site Cleanup Division (HSCD) Rotational Development Program was a 12-month pilot for staff and managers within the Division. The pilot program gave both full- and part-time HSCD staff in technical and non-technical jobs the opportunity to explore other job duties and develop transferable skills and knowledge for their current positions and long-term career goals.

Participating employees liked the program and recommended it to their peers. Positive feedback included the simplicity of the application process and the development of new skill sets and new relationships. Some challenges identified included: the need for longer rotations to allow employees to really learn the job and/or complete projects, the difficulty in leaving regular work behind with the position not being backfilled and the limited number of rotations.

Supervisors’ feedback was generally positive. They were, however, universally concerned about the impact a rotating employee has on their workload. Suggestions to alleviate this concern included extending the length of the rotations and requiring job trades rather than one-way rotational assignments. All survey respondents recommended revisiting the communication strategy if the program is continued.

Recommendations for continuing the program included encouraging supervisors to create rotational opportunities; assigning front office staff to assist supervisors in maintaining a database of rotational assignments; adding a “mini-detail” program whereby employees are detailed only 20% of their time, but for an extended period; offering rotations for 4-6 month length; improving communications among supervisors and the employees; and clarifying the purpose of the program and process for applying.

IT Security Review

The objective of the monthly Information Security (INFOSEC) Certification is to ensure compliance of information security requirements through senior leadership review. Each month the Senior Information Officer (SIO) certifies that he has reviewed the Region’s Security Plan, audit records, incident reporting procedures, and suspicious activities/violations IAW NIST 800-53 security controls. Review of the Security Plan is performed to ensure that it is consistent with the current management, operational and technical security controls for the Region’s LAN. This System Security Plan (SSP) is part of the LAN Certification and Accreditation (C&A) package. This plan is based upon a review of the environment, documentation, and interviews with the information systems personnel. Review of the audit record is performed to identify incidents and



ensure that they are reviewed for indications of inappropriate or unusual activity, and that suspicious activity or suspected violations are investigated and reported.

The Region achieves this objective in the following manner. Weekly CSB Security Meetings are held between the ISOs and Senior IT Managers to review the SSP and relevant audit items and plan follow-on actions. Significant information related to INFOSEC is compiled over the course of the month and presented to the SIO at a monthly meeting. The SIO issues direction and guidance if necessary. Once the SIO is satisfied with the security posture of the Region's LAN, he signs a certification letter, attesting that he has reviewed the information and it conforms to EPA standards. The monthly certification letters are archived and used as supporting artifacts toward annual Certification and Accreditation revalidation.

CLOSING

Thank you for the opportunity to provide Region III's assurance on the effectiveness of our internal controls. Should your staff have any questions, they may contact Maryanne Ruiz, Regional Management Integrity Advisor at 215-814-5123.

ATTACHMENTS

Attachment A1, Chart of Key Programs
Attachment A2, Internal Control Reviews Conducted in FY 2011
Attachment B, FY 2011 Control Environment
Attachment C, Recovery Act Stewardship Plan (RASP)
Attachment D, Unliquidated Obligations
Attachment E, Superfund Site Identifier (SSID) ZZ Accounts
Attachment F, Superfund State Contract (SSC) Process

cc: Annette Morant, OCFO
Aileen Atcherson, OCFO
Patrick Gilbride, OIG



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Correspondence Management System

Control Number: AX-11-001-3729

Printing Date: August 15, 2011 12:17:49



Citizen Information

Citizen/Originator: Blumenfeld, Jared

Organization: USEPA Region IX

Address: 75 Hawthorne Street, San Francisco, CA 94105-3901

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3729

Alternate Number: N/A

Status: For Your Information

Closed Date: N/A

Due Date: N/A

of Extensions: 0

Letter Date: Aug 10, 2011

Received Date: Aug 15, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: MEM (Memo)

Priority Code: Normal

Signature: SNR-Signature Not Required

Signature Date: N/A

File Code: 401_127_a General Correspondence Files Record copy

Subject: Daily Reading File 2011 Federal Managers' Financial Integrity Act Assurance Letter

Instructions: For Your Information -- No action required

Instruction Note: N/A

General Notes: N/A

CC: N/A

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
No Record Found.					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
(b) (6) Personal Privacy	OEX	OCFO	Aug 15, 2011

History

Action By	Office	Action	Date
(b) (6) Personal Privacy	OEX	Forward control to OCFO	Aug 15, 2011

Comments



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street
San Francisco, CA 94105-3901

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AUG 10 2011

OFFICE OF THE
REGIONAL ADMINISTRATOR
EXECUTIVE SECRETARIAT

MEMORANDUM

SUBJECT: FY 2011 Federal Managers' Financial Integrity Act Assurance Letter

FROM: Jared Blumenfeld *JB*
Regional Administrator

TO: Lisa P. Jackson
Administrator

PURPOSE

In accordance with the *Federal Managers' Financial Integrity Act* (FMFIA) and Agency guidance, I am submitting this FY 2011 annual assurance letter attesting to the soundness of internal controls for EPA Region 9.

STATEMENT OF ASSURANCE

Under my leadership, EPA Region 9 has assessed the effectiveness of its internal controls based on the five standards for internal control established by the Government Accountability Office. In my judgment, EPA Region 9 complies with Federal Managers' Financial Integrity Act requirements, and the internal controls within EPA Region 9 are adequate to reasonably ensure the protection of the programs, operations, functions, and resources for which I am responsible against fraud, waste, abuse, and mismanagement.

Additionally, in accordance with the American Recovery and Reinvestment Act of 2009 (Recovery Act) and Agency guidance, I can provide reasonable assurance that:

- All Recovery Act programs were managed effectively and efficiently, utilized reliable and accurate data to report achievement of program goals, and were in compliance with laws and regulations;
- All Recovery Act funds designated for EPA Region 9 have been used solely for the purpose of that program and, if applicable, were awarded and distributed in a prompt, fair, and reasonable manner;
- EPA Region 9 is monitoring the risks and internal controls identified in EPA's Recovery Act Stewardship Plan and is in compliance with the Stewardship Plan.

CERTIFICATION OF MANAGEMENT INTEGRITY TRAINING

I certify that appropriate Region 9 staff (Senior Executive Service employees, GS-15 managers and supervisors, and Management Integrity Advisors) completed the Agency's on-line Management Integrity Training on Internal Controls.

FRAMEWORK FOR ASSESSING INTERNAL CONTROLS

In FY 2011, EPA Region 9 examined and adjusted its Program Review Strategies and Multiyear Plans; evaluated and improved its internal and external partnership efforts to reduce the risks from waste, fraud, abuse, and mismanagement; and also reviewed and strengthened how we use the NPM guidance and Lead Region processes to identify such risks.

1. Adjustments made to Program Review Strategies and Multiyear Plans

Region 9 reviewed the completed NPM Program Review Strategies in order to determine whether or not those strategies covered all program operations in the region. In addition, we also evaluated whether any adjustments were needed to regional program review strategies and Multiyear Plans established in the previous year.

As a result of this comprehensive review, we believe the NPM Program Review Strategies adequately cover the Region 9's base programmatic, financial, and administrative programs, except for the following two programs which constitute region-specific initiatives. Accordingly, Region 9 has:

- (1) Adjusted the regional Program Review Strategy for Mexico Border 2012 Program to reflect changes in the program and development of the next generation program; and
- (2) Established a Program Review Strategy for the Pacific Islands Program. The strategy focuses on the management and oversight of consolidated grants awarded to the Pacific Island Territories.

Both of the above-mentioned strategies are attached to this assurance letter.

2. How we work with our internal and external partners to identify risks.

Our general management practices include working with internal and external partners to identify risks associated with achieving program results for geographic initiatives, other unique regional efforts, and state and tribal challenges, as well as for NPM-related program responsibilities. Region 9 uses the Agency's Annual Commitment System (ACS) and Division-level strategic plans to provide our annual priority commitments and accomplishments. We also participate in regular program meetings/ conference calls with all NPM program offices to supplement the ACS automated reports.

Additionally, Region 9 has a strong control environment in place that establishes clear goals, roles and responsibilities, performance measures, and lines of accountability (see attached AL Form 2011-005, Control Environment). The management teams within each Division/Office reviewed their management controls for their individual units and programs. In addition, those Divisions/Offices reviewed the current list of EPA weaknesses and management challenges, as well as recent and open audits that may impact their programs.

Region 9's Management and Technical Services Division (MTSD), which houses contracts, grants and other financial functions, has numerous strategies in place to ensure effective internal management controls and to identify vulnerabilities. MTSD's senior management team meets bi-monthly with its entire management team to provide a forum to discuss, assess, and review programmatic, Recovery Act, and financial activities to ensure management integrity.

We have instituted additional checks and balances to align our regional budget with external hiring plans. The Assistant Regional Administrator (ARA), Comptroller, and Human Resources Director meet weekly to review and approve regional hiring requests. Additionally, the ARA meets weekly with the Senior Management Team and regularly with the Regional Administrator to review budget and hiring plans.

Region 9's Waste Management Division managers hold weekly meetings where they review and update the managers' PATS (Performance Action Tracking System) which tracks upcoming project deadlines, meetings with their program partners, media outreach, and training.

Other R9 Divisions and Offices also hold regular, if not frequent, internal management meetings as well as conference calls with Lead Regions and the NPM Program managers. Such meetings provide a forum for the introduction and assessment of both ongoing and emerging issues which could present weaknesses to management integrity. The meetings include discussion of Headquarters initiatives and Agency goals and objectives, and are used in part to monitor their Division's progress towards commitments and targets, and take any needed corrective action.

Region 9's Division managers and staff also participate in national workgroups when an issue needing more intensive guidance and attention is identified (e.g., sustainable materials management, new regulations).

Specific to the unique programs in R9 (Tribal; Mexico Border; Pacific Islands), our region takes the following additional actions to work directly with internal/external partners to identify risks:

- (1) The Tribal Program Office at Region 9 holds four Regional Tribal Operations Committee meetings per year with Region 9 tribal environmental directors and an annual Tribal Conference, which also includes elected tribal leaders. Programmatic and administrative issues are addressed and technical assistance is provided.
- (2) We regularly hold Border 2012 meetings throughout the year with internal and external partners of all programs at different program levels to assess results, monitor grant project progress, adjust strategy, and develop measurable out-year goals and objectives.

- (3) The Border 2012 Program issues periodic accomplishments reports for our internal and external partners and will soon disseminate a 2010 State of the Border Region Indicators Report.
- (4) The Pacific Islands Office holds weekly calls with territory environmental directors and environmental managers to monitor progress and provide technical assistance.
- (5) The Pacific Islands Office holds regular cross-program internal meetings to coordinate EPA work in Guam, a priority due to the military buildup there.
- (6) The Pacific Islands Office conducts regular site visits to monitor grant project progress and provide technical assistance.
- (7) The Water Division in Region 9 reviews program grant progress and performance on the part of Guam, CNMI, and American Samoa (as well as the Navajo Nation and the States).

3. How we use NPM guidance and Lead Region processes to identify risks.

In Region 9, we asked all of our Divisions and Offices to review the NPM guidance and to provide input into Lead Region processes. All of them assured in their FY 2011 sub-assurance statements of management integrity that they had done so. Several Divisions/Offices also provided specific examples of their use of the NPM guidance and Lead Region to identify risk.

As Lead Region for OCSPP, we:

- (1) Solicited comments for the draft FY-11 NPM Guidance from the regions.
- (2) Ensured that the regions are represented at key policy/budget development and decision points, such as target setting for FY-12 ACS commitments, FY-13 NPM Guidance development, and program/Goal 4 progress meetings with the Deputy Administrator, which are held multiple times per year.
- (3) Worked with all of the EPA regions to ensure ACS commitments are tracked and reported. HQ conducts trend analyses with this data for budget and planning purposes.

Other Division-specific examples of our work using NPM guidance and Lead Region processes to identify risks associated with achieving program results include:

- Region 9's Air Division uses its grant oversight processes, coordination of enforcement programs, regular Division Director meetings and conference calls to discuss program NPM guidance and programmatic goals and accomplishments. Regional Air managers participate in monthly conference calls led by Headquarters to ensure that the program's guidance and objectives are well understood and Regional progress and actions are tracked and communicated.

- The Waste Management Division managers have multiple systems in place to identify risks nationally, including the Annual Commitment System (ACS), a part of the Budget Automated System (BAS). The ACS documents priorities and commitments as well as accomplishments to Waste Division's three national program managers (OSWER [ORCR and OUST], OCSPP, and OECA). In addition, the Waste Management Division develops an annual division operating plan, posts it on its internal wiki website, and contributes to regional strategic planning efforts.
- All OPA managers meet weekly to discuss progress and emerging issues which could pose risks to achieving Agency and NPM goals. In addition, separate meetings are conducted by the Division Director with OPA communications managers and with enforcement coordination managers and staff. At the national level, OPA participates actively in periodic Public Affairs Director's meetings and Senior Enforcement Managers' meetings, as well as frequent national teleconferences.

RESULTS OF INTERNAL CONTROL REVIEWS

Over Programmatic Operations

In FY 2011, Region 9 conducted programmatic and administrative reviews, as required by NPM guidance, including reviews for those programs not covered by the NPM Program Review Strategies. Areas reviewed by the region included, but were not limited to staffing plans, FTE utilization, property control, and financial resource utilization (travel, training, awards, and acquisition budgets).

No material or Agency level-weaknesses were identified from these internal control reviews.

Examples of administrative reviews conducted in Region 9 include:

Administrative Controls: The Management and Technical Services Division conducted the following internal control reviews during FY 2011:

- property inventory records
- regional travel cards
- PHS leave
- Superfund WQ transactions
- transit subsidy payments
- grants post award baseline monitoring,
- Quality Assessment Plan (QAP) oversight review
- system security plans for Region 9 information resources

Legal Support: Region 9's Office of Regional Counsel (ORC) provides legal support to the Region through counseling and enforcement activities. During the previous year, ORC identified four areas in its Multi-Year Review Plan: 1) the completion of financial disclosure forms; 2) the completion of ethics training; 3) reconciliation of ICIS enforcement numbers; and 4) accuracy of the electronic docket system. Each of these four identified areas required regular review, which was conducted during FY-2011. ORC has retained these four areas of review, and also has added electronic discovery as an additional area at this time. This final strategy was developed after a review of ORC's roles and responsibilities.

Enforcement Programs. Our Air Division initiated a State Review Framework (SRF) air enforcement program evaluation at Clark County, Nevada, in 2011. Preliminary results indicate that County's program is adequate; however, their identification of High Priority Violations per EPA policy apparently needs improvement. The report is being drafted and is expected to be completed in 2011. An additional SRF enforcement action will be conducted in 2012 (agency TBD).

Permitting Programs. In 2011, our Air Division completed an evaluation for the Hawaii Department of Health, Clean Air Branch (CAB). The final report, issued on September 28, 2010, identified the need for improvement in several areas, including reducing the permitted backlog and investing more of the Title V permit fee revenues into employee retention and career development opportunities. In FY 12, the Air Division will initiate its eight Title V permit program, at a permitting authority to be determined.

U.S.-Mexico Environmental Program (Border 2012). Our Community and Ecosystem Division conducted an internal control review during FY11 for the Border 2012 Program according to our FY11 Program Review Strategy (Refer to the Attachment for Border 2012 Program Review Strategy).

Independent Government Cost Estimates. The Superfund Division is working with our contracting office to secure the necessary expertise to assist RPMs in IGCE preparation.

Over Recovery Act Operations

Region 9 conducted detailed reviews of Recovery Act monitoring activities in FY 2011. These reviews included but were not limited to Region 9's efforts to validate monitoring activities for controls objectives identified as high risk in the Agency's Recovery Act Stewardship Plan. The results of our Recovery Act policy reviews are included in the attachment to this assurance letter.

No material or Agency level-weaknesses, or other significant deficiencies, were identified during internal control reviews conducted by EPA Region 9 during FY 2011

Over Financial Activities (OMB Circular A-123, Appendix A)

Region 9 conducted the following financial activity reviews in FY 2011:

Unliquidated Obligations – For FY 2011, the region utilized the random number generator to select the ULO sample for each cost category: contracts, grants, miscellaneous orders and travel. 45 samples were selected under each cost category. The results of the internal controls review did not identify any material weakness or significant deficiency.

Superfund State Contract Process – For FY 2011, the region randomly selected 25% of both active and inactive sites for our A-123 review (8 out of a total of 30 sites). Out of 4 key controls tested, the region identified 3 as deficiencies. Areas for improvement included the tracking of SSCs, lack of policy and procedures and inadequate monitoring of SSC disbursement against the SSC ceiling. The region has formed a work group and developed a corrective action to address these areas.

Recovery Act Stewardship Plan – For FY 2011, the region worked with OCFO-HQ to have a policy verification review. A universe of 62 Region 9 ARRA grants was identified and a random sample of six grants was selected for review. The review identified five observations, and offered suggested corrective actions. The report also identified seven best management practices. The observations, suggested corrective actions and the best management practices are detailed in Attachment 6. The region will formed a work group and develop a corrective action to address these areas.

Superfund Site Identifier ZZ Accounts – For FY 2011, the region selected 45 samples for this review. As a result of this review, there were 3 deficiencies identified. Areas for improvement include notification to relevant parties once a site has been established, educate and train staff on the requirements of Resource Management Directive 2550D-04-P-1 and the process and forms to be used for requesting redistribution or corrections to payments. The Superfund Division will develop a corrective action plan to address these issues and the Comptroller's Office will be monitoring the region's progress.

CURRENT WEAKNESSES

EPA Region 9 does not have the lead for addressing any of EPA's current weaknesses. However, where appropriate, we provided feedback to Lead Regions on weaknesses for which other offices/regions have the lead. In any case, no significant weaknesses were identified during our review of our region's internal controls in FY 2011.

MANAGEMENT CHALLENGES AND POTENTIAL WEAKNESSES IDENTIFIED BY OIG, GAO, AND OMB

EPA Region 9 does not have the lead for any of EPA's new management challenges or proposed weaknesses.

NEW OR EMERGING ISSUES

The following new or emerging issues were identified during Region 9's FY 2011 internal control review/ FMFIA process and are briefly described below. None of these new or emerging issues are significant enough to rise to the level of a material or Agency weakness, or constitute a significant deficiency. We will continue to monitor the issue(s) and report as appropriate.

Electronic Discovery: Region 9 continues to address e-discovery issues on a variety of fronts. The Office of Regional Counsel (ORC) employs an e-discovery team of three attorneys who addresses e-discovery issues ranging from training of regional personnel to aiding in technical issues that arise in matters with active federal court discovery. The team is working with Program clients and the Region's Computer Services Branch and Information Services Branch to develop methods of addressing e-discovery preservation and collection issues. Additionally, the team is a resource to other attorneys in the Office of Regional Counsel who have questions about e-discovery topics. Finally, the team participated in a number of national workgroups convened to address solutions to e-discovery issues.

Litigation Holds: Attorneys have a duty to undertake reasonable and good faith action to preserve relevant and discoverable information and tangible evidence whenever litigation involving the Agency is reasonable anticipated, threatening or pending. This duty to preserve evidence, commonly referred to as a litigation hold, extends to Agency attorneys and is independent of any litigation hold that may be issued by the Department of Justice. ORC continues to use its database to identify and track all litigation holds in Region 9. We are reviewing options to upgrade and revise this database to improve the management of holds.

Pacific Islands Program:

- The military buildup on Guam will continue to create intense pressure on Guam's environmental agencies to manage their programs and resources. For example, permit applications received by Guam EPA have increased greatly, and this trend is expected to continue.
- Travel to the Pacific territories is very costly. The Division's reduction in travel resources could impact our general oversight and coordination that has typically been conducted via site visits.
- Although Guam is making progress in addressing the financial management and programmatic issues we identified following our FY10 end-of-year program review, key positions remain unfilled and the vacancies negatively impact Guam's capacity. For example, the position of Guam EPA Administrative Services Officer, who serves as the key finance officer, remains vacant.

Tribal Concerns:

- Our internal controls for our Tribal General Assistance Program (GAP) grants revealed a significant non-performance issue with the Summit Lake Paiute Tribe, which resulted in a referral to OIG. OIG's work found ineligible expenses charged to EPA grants, and OIG is seeking reimbursement from the tribe. The tribe will likely not receive FY12 GAP funding, and we are working closely with other potentially impacted EPA programs.
- The Tribal Program Office is contributing to a national EPA plan to manage and implement tribal solid waste management programs in response to a 2011 OIG audit of OSWER's Tribal Waste Program (11-P-0171).
- The Tribal Program Office is supporting EPA HQ in developing a Guidebook for Building Tribal Environmental Capacity, which should be finalized by November 30. This is in response to a previously identified Agency-level Weakness and a 2008 OIG Audit (08-P-0083). The Guidebook will result in the Region working with AIEO in HQ to revise the GAP Grant Guidance Policy and GAP Grant Allocation Formula to tribes in FY 2012.
- Reduced travel resources no longer support the Tribal Program Office's grant project officers' annual site visits to every tribe with a GAP grant. As a result, the tribes are receiving a lower level of on-site review and technical assistance than we have historically provided.

ACCOMPLISHMENTS AND BEST MANAGEMENT PRACTICES

Region 9 achieved the following internal control-related accomplishments and best management practices in FY 2011:

Accomplishments:

Tribal Program:

- (1) The Tribal Program Office in Region 9 visited about 80% of the tribes in FY11 with a Tribal General Assistance Program grant at least once to conduct oversight and provide technical assistance.
- (2) The Environmental Review Office participated in an after-action review with BLM and reached agreement in areas to improve the early NEPA process for mining projects to reduce the chance of adverse comments on NEPA reviews.

- (3) The Environmental Review Office shared a lessons learned memo with BLM to reduce the impacts of proposed renewable energy projects and their siting. In addition, we expect to finalize an MOU covering renewable energy projects with BLM this fiscal year to formally improve early coordination, reduce impacts of these projects, and avoid adverse ratings of Environmental Impact Statements.
- (4) In February 2011, after many years of work on the part of the Gila River Indian Community (GRIC) and Region 9, the Air Division in Region 9 approved the first comprehensive Tribal Implementation Plan (TIP). This means that Gila River will be taking on the responsibility for administering parts of the Clean Air Act, including ambient air quality standards, permitting requirements for minor sources, and enforcement authorities. The purpose of the TIP is to ensure that the GRIC's ambient air quality standards are attained and maintained in the reservation.

Pacific Islands Program IPA Recruitment: Our Pacific Islands Program Office and other Region 9 offices continue to regularly help recruit for and fund IPAs and details to work with and increase the long-term capacity of each island's environmental agency and local utility. These personnel resources greatly complement the grant funding and technical assistance we also provide. U.S. Public Health Service Officers typically fill these positions, and through their long-term presence and technical assistance, the performance and capacity of each island's utility has significantly improved.

Best Management Practices

Grants Management:

- (1) **Reorganization to Improve Grant Oversight.** Region 9's Community and Ecosystems Division (CED) reorganized the programs each associate director (AD) and the deputy division director oversee, including assigning AD oversight for the Environmental Review Office. This has relieved the CED Director of some day-to-day oversight responsibilities and improved CED's ability to track progress and communicate issues and key milestones to the Regional Administrator.
- (2) **Post Award Monitoring of Grants.** The Grants Management Office (GMO) implements the revised Post Award Monitoring Order by ensuring that project officers and grants specialists are informed and trained in their baseline oversight responsibilities and that baseline monitoring is completed and recorded in the IGMS database. Annual presentations on the Post Award Order and baseline monitoring requirements are conducted for project officers and managers during our Grant Open Forums. In 2011, demonstrations on Quik reports and the ULO tool were also included in the presentations. Information on baseline monitoring requirements, the R9 2011 advanced monitoring plan, and ULOs is posted on the R9's Grants Online database, so that the Grants Specialist, Project Officer, and manager can track the status of each grant, monitor performance, and measure progress against draw downs and unliquidated obligations.

- (3) Grants Management Status Updates. To ensure that open compliance issues are closed out in the Grantee Compliance Database in a timely fashion, status updates are provided to the GMO for all open advanced and pre-award compliance reports. Grants Specialists are required as part of their PARS performance measures to update and/or close out these reports in a timely manner. In addition, GMO provides periodic reports to each media division to assess status of completion of required programmatic post award reviews.

Inspection and Enforcement Tracking: Region 9's Community and Ecosystem Division's Toxics Office has created a database that better tracks TRI, Lead, and Asbestos inspections and enforcement in real time. The database includes the status of cases and results.

CLOSING

I appreciate this opportunity to report that EPA Region 9 is in compliance with the Federal Managers' Financial Integrity Act. If you have any questions, please contact Tom McCullough, Assistant Regional Administrator, at (415) 972-3515, or Janie Thomas, Comptroller, at (415) 972-3680.

ATTACHMENTS

- (1) Control Environment, AL Form 2011-005
- (2) Recovery Act Stewardship Program, AL Form 2011-006
- (3) Unliquidated Obligations, AL Forms 2011-008 (a), (b), & (c)
- (4) Superfund State Contract – Certification and Spreadsheet, AL Forms 2011-009 (a) & (b)
- (5) Superfund Site Identifier ZZ Account, AL Form 2011-010
- (6) Adjusted Regional Program Review Strategy for Border 2012 Program
- (7) Regional Program Review Strategy for Pacific Islands Program

cc: Annette Morant, OCFO
Aileen Atcherson, OCFO
Patrick Gilbride, OIG



Correspondence Management System

Control Number: AX-11-001-3749

Printing Date: August 15, 2011 03:14:15



Citizen Information

Citizen/Originator: Glass, Anne

Organization: American Lung Association
Address: 630 Churchmans Road, Newark, DE 19702

Constituent: N/A

Committee: N/A Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3749 Alternate Number: N/A
Status: Pending Closed Date: N/A
Due Date: Aug 29, 2011 # of Extensions: 0
Letter Date: Aug 5, 2011 Received Date: Aug 15, 2011
Addressee: AD-Administrator Addressee Org: EPA
Contact Type: LTR (Letter) Priority Code: Normal
Signature: DX-Direct Reply Signature Date: N/A
File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.

Subject: Daily Reading File- We urge you to start now and protect public health by cleaning up power plants with stricter standards on toxic pollution.

Instructions: DX-Respond directly to this citizen's questions, statements, or concerns

Instruction Note: N/A

General Notes: N/A

CC: OEAE - Office of External Affairs and Environmental Education
OP - Office of Policy
R3 - Region 3 - Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 15, 2011	Aug 29, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History

Action By	Office	Action	Date
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AMERICAN LUNG ASSOCIATION®

IN DELAWARE

Wilmington

630 Churchmans Rd
Suite 202
Newark, DE 19702
Phone: 302.737.6414
Fax: 302.737.0126

Website

www.lunginfo.org

August 5, 2011

Administrator Lisa Jackson
Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Ave. NW
Washington, DC 20004

RECEIVED
2011 AUG 15 PM 12:44
OFFICE OF THE
EXECUTIVE SECRETARAT

As the Delaware Leadership Board of the American Lung Association of the Mid-Atlantic, we are writing to urge EPA to close the two-decade old loophole that has allowed coal-fired power plants to avoid having to clean up, unlike all other industries. The cleanup of toxic air pollution from power plants is long overdue. EPA must set stricter standards on toxic pollution from power plants to improve air quality and protect public health.

Cleaning up these power plants can save 17,000 lives a year, all across the country. There are more than 400 coal-fired power plants located in 46 states across the country that release in excess of 386,000 tons of hazardous air pollutants into the atmosphere each year. It is time for them to be cleaned up.

In the 3 counties in the Delaware area alone, comprising a region of approximately 885,000 people, the American Lung Association estimates that the following populations* are at special risk from the kinds of air pollutants produced by coal-fired power plants:

Infants, Children, and Youth Under 18	206,000
Persons Aged 65 and Above	126,000
Children with Asthma	28,000
Adults with Asthma	58,000
Persons with Emphysema	15,500
Persons with Chronic Bronchitis	30,009
Persons with Heart Disease	256,000
Persons with Diabetes	55,000
Persons of All Ages Living in Poverty	96,000

* Note: As there is overlap among categories, numbers may not be added together.

All coal-fired power plants must be required to install modern pollution control equipment to reduce hazardous air pollution, including the toxic metals, acid gases and other pollutants, by the maximum achievable amount. Only with such measures will the health of children and other vulnerable individuals be protected. The pollution control technologies needed to meet these requirements are commercially available. Plant owners have flexibility under the law to select an appropriate combination of controls that will enable greater protection of human health and the environment.

We urge you to start now and protect public health by cleaning up power plants with stricter standards on toxic pollution. We support the strongest possible mercury and air toxics standards for power plants and urge you to make them final.

Sincerely,



Anne Glass
Chairman



Correspondence Management System

Control Number: AX-11-001-3750

Printing Date: August 15, 2011 04:44:53



Citizen Information

Citizen/Originator: Rudderow, Ruth K.

Organization: American Lung Association of Pennsylvania
Address: PO Box 4029, Easton, PA 18043

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3750

Alternate Number: N/A

Status: Pending

Closed Date: N/A

Due Date: Aug 29, 2011

of Extensions: 0

Letter Date: Aug 5, 2011

Received Date: Aug 15, 2011

Addressee: AD-Administrator

Addressee Org: EPA

Contact Type: LTR (Letter)

Priority Code: Normal

Signature: DX-Direct Reply

Signature Date: N/A

File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.

Subject: Daily Reading File- We urge you to start now and protect public health by cleaning up power plants with stricter standards on toxic pollution. We support the strongest possible mercury and air toxics standards for power plants and urge you to make them final.

Instructions: DX-Respond directly to this citizen's questions, statements, or concerns

Instruction Note: N/A

General Notes: N/A

CC: OEAE - Office of External Affairs and Environmental Education
 OP - Office of Policy
 R3 - Region 3 - Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 15, 2011	Aug 29, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History

AMERICAN LUNG ASSOCIATION®

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Wilkes-Barre

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Wilkes-Barre, PA 18701
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Fax: 570.823.2212

Website

www.lunginfo.org

August 5, 2011

Administrator Lisa Jackson
Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Ave. NW
Washington, DC 20004

As the South Central Leadership Board of the American Lung Association of the Mid-Atlantic, we are writing to urge EPA to close the two-decade old loophole that has allowed coal-fired power plants to avoid having to clean up, unlike all other industries. The cleanup of toxic air pollution from power plants is long overdue. EPA must set stricter standards on toxic pollution from power plants to improve air quality and protect public health.

Cleaning up these power plants can save 17,000 lives a year, all across the country. There are more than 400 coal-fired power plants located in 46 states across the country that release in excess of 386,000 tons of hazardous air pollutants into the atmosphere each year. It is time for them to be cleaned up.

In the 14 counties in the South Central area alone, comprising a region of approximately 2,156, 448 million people, the American Lung Association estimates that the following populations* are at special risk from the kinds of air pollutants produced by coal-fired power plants:

Infants, Children, and Youth Under 18	494,000
Persons Aged 65 and Above	331,000
Children with Asthma	51,000
Adults with Asthma	150,000
Persons with Emphysema	40,000
Persons with Chronic Bronchitis	75,000
Persons with Heart Disease	646,000
Persons with Diabetes	151,000
Persons of All Ages Living in Poverty	205,000

* Note: As there is overlap among categories, numbers may not be added together.

All coal-fired power plants must be required to install modern pollution control equipment to reduce hazardous air pollution, including the toxic metals, acid gases and other pollutants, by the maximum achievable amount. Only with such measures will the health of children and other vulnerable individuals be protected. The pollution control technologies needed to meet these requirements are commercially available. Plant owners have flexibility under the law to select an appropriate combination of controls that will enable greater protection of human health and the environment.

OFFICE OF THE
EXECUTIVE SECRETARAT

2011 AUG 15 PM 12:46

RECEIVED

We urge you to start now and protect public health by cleaning up power plants with stricter standards on toxic pollution. We support the strongest possible mercury and air toxics standards for power plants and urge you to make them final.

Sincerely,



Ruth Karns Rudderow
Chairman



Correspondence Management System

Control Number: AX-11-001-3752

Printing Date: August 15, 2011 02:37:51



Citizen Information

Citizen/Originator: Johnson, Bucky

Organization: City of Norcross
Address: 65 Lawrenceville Street, Norcross, GA 30071

Constituent: N/A

Committee: N/A Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3752 Alternate Number: N/A
 Status: Pending Closed Date: N/A
 Due Date: Aug 29, 2011 # of Extensions: 0
 Letter Date: Aug 5, 2011 Received Date: Aug 15, 2011
 Addressee: AD-Administrator Addressee Org: EPA
 Contact Type: LTR (Letter) Priority Code: Normal
 Signature: DX-Direct Reply Signature Date: N/A
 File Code: 404-141-02-01_141_b Controlled and Major Corr. Record copy of the offices of Division Directors and other personnel.
 Subject: EPA proposed electric generating unit maximum achievable control technology EGU MACT rules. Docket ID EPA-HQ-OAR-2009-0234
 Instructions: DX-Respond directly to this citizen's questions, statements, or concerns
 Instruction Note: N/A
 General Notes: N/A
 CC: OCIR - Office of Congressional and Intergovernmental Relations
 OEAE - Office of External Affairs and Environmental Education
 OP - Office of Policy
 R4 - Region 4 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
(b) (6) Personal Privacy	OEX	OAR	Aug 15, 2011	Aug 29, 2011	N/A
Instruction: DX-Respond directly to this citizen's questions, statements, or concerns					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
No Record Found.			

History



DAILY READING FILE

MAYOR **BUCKY JOHNSON** • MAYOR PRO TEM **ROSS KAUL** • COUNCILMAN **DAVID McLERoy**
COUNCILMAN **CHARLIE RIEHM** • COUNCILMAN **CRAIG NEWTON** • COUNCILMAN **ANDREW HIXSON**
CITY MANAGER **RUDOLPH SMITH** • CITY CLERK **SUSAN B. WUERZNER**

August 5, 2011

Hon. Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

RECEIVED
2011 AUG 15 PM 12:46
OFFICE OF THE
EXECUTIVE SECRETARIAT

Re: Docket ID Nos. EPA-HQ-OAR-2009-0234

Dear Administrator Jackson:

On behalf of the City of Norcross, I am writing regarding the Environmental Protection Agency's (EPA) proposed electric generating unit maximum achievable control technology ("EGU MACT") rules. Our community-owned, not-for-profit electric utility serves 4200 customers. We supply electricity produced in part by coal-fired electric generating units that could be significantly impacted by the proposed EGU MACT rule – even though those coal units are already well-controlled for mercury and for criteria pollutants such as sulfur dioxide and nitrogen oxides.

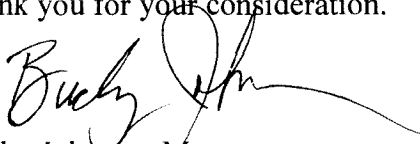
We have major concerns regarding several provisions of the proposed rules. We respectfully request that EPA consider these concerns and evaluate the impact to our utility under the Small Business Regulatory Enforcement Fairness Act (SBREFA) and the Unfunded Mandates Reform Act (UMRA) (Chapters 17 A and 25 of Title 2 of the U.S. Code). We would also request that EPA evaluate the impact of the proposed rules under four presidential executive orders – EO 13563, Improving Regulation and Regulatory Review; EO 13132, Federalism; EO 12866, Regulatory Planning and Review; and EO 13211, Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, and Use. As a not-for-profit electric utility owned and operated by local government, we support these Executive Orders that call for reasonable and cost-effective regulations to achieve reductions in air pollution in a reasonable time-frame.

Our concerns include the following:

- The proposed rules create a risk of having to raise electricity rates that could cause our customers economic hardship, particularly those negatively impacted by the current economic climate, such as the unemployed, the underemployed, and those with limited or fixed incomes.
- The proposed rule raises electricity reliability issues in some regions in 2014 when compliance with these rules begins. While EPA estimates that only 9 GW of coal-fired capacity may face retirement nationally because of the rules, other industry analysts and the North American Electric Reliability Corporation (NERC) estimate that as many as 70 GW of capacity could face retirement.

- EPA's economic and reliability analysis in the proposed rules addresses only impacts from the proposed EGU MACT regulations. The analysis does not address the cumulative impacts from approximately eight major EPA rules affecting air, water, and wastewater from electric utilities in the next five to eight years.
- The proposed EGU MACT rules include many additional requirements beyond those to reduce mercury emissions. Control of other emissions under the EGU MACT rule may not be necessary or required under the Clean Air Act or based on EPA's own hazardous air pollutants study. EPA should consider whether to decline to adopt the rules not related to control of mercury emissions.
- The statutorily imposed three-year time frame for compliance with the EGU MACT rules is too short. The electric industry needs at a minimum; an additional two years to avoid reliability issues that could arise when coal fired power plants must shut down for an extended period to retrofit emissions controls needed to comply with the rule. We respectfully encourage EPA to grant the one-year extension it is statutorily allowed to do and urge that a second year of extension is granted via a presidential order.
- EPA's own Regulatory Impact Analysis (RIA) appears to suggest that only 97 municipal utilities will be affected, and will face a compliance cost of only \$666.3 million annually. These costs appear to significantly underestimate the real impact and show no regional additional impacts in states such as Indiana, Ohio, Wisconsin, Michigan, Minnesota, Kentucky, Georgia, Alabama and Texas.

Thank you for your consideration.



Bucky Johnson, Mayor
City of Norcross

Cc: Honorable Saxby Chambliss
Honorable Johnny Isakson
Honorable Hank Johnson
Honorable Tom Rice
Honorable Pedro Marin
Honorable Hugh Floyd



Correspondence Management System

Control Number: AX-11-001-3753

Printing Date: August 15, 2011 04:41:51



Citizen Information

Citizen/Originator: Klappa, Gale E.

Organization: Wisconsin Energy Corporation
Address: 231 West Michigan Street, Milwaukee, WI 53203

Constituent: N/A

Committee: N/A Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3753 Alternate Number: N/A
 Status: For Your Information Closed Date: N/A
 Due Date: N/A # of Extensions: 0
 Letter Date: Aug 5, 2011 Received Date: Aug 15, 2011
 Addressee: DA-Deputy Administrator Addressee Org: EPA
 Contact Type: LTR (Letter) Priority Code: Normal
 Signature: SNR-Signature Not Required Signature Date: N/A
 File Code: 401_127_a General Correspondence Files Record copy
 Subject: Daily Reading File- I appreciate your reference to my statement and to Wisconsin Energy Corporation. However, the reference appears to have been taken out of context and requires clarification.

Instructions: For Your Information -- No action required
 Instruction Note: N/A
 General Notes: N/A
 CC: OCIR - Office of Congressional and Intergovernmental Relations
 OEAE - Office of External Affairs and Environmental Education
 R5 - Region 5 -- Immediate Office

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
No Record Found.					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
(b) (6) Personal Privacy	OEX	OAR	Aug 15, 2011
Gloria Hammond	OAR	OAR-OAQPS	Aug 15, 2011
Jean Walker	OAR-OAQPS	OAR-OAQPS-SPPD	Aug 15, 2011

History

Action By	Office	Action	Date
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DAILY READING FILE

Gale E. Klappa
Chairman, President and
Chief Executive Officer

231 W. Michigan Street
Milwaukee, WI 53203

Phone: 414-221-4775
Fax: 414-221-4519
E-mail: Gale.Klappa@
wisconsinenergy.com

August 5, 2011

The Honorable Robert W. Perciasepe
Deputy Administrator
U.S. Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, NW
Washington, DC 20460

2011 AUG 15 PM 12:45
OFFICE OF THE
EXECUTIVE SECRETARIAT
RECEIVED

Dear Deputy Administrator Perciasepe:

On July 26, 2011, I understand that you testified on EPA regulations at a hearing before the House Committee on Oversight and Government Reform's Subcommittee on Regulatory Affairs, Stimulus Oversight and Government Spending. In your written testimony, you quoted a statement I made during an analyst call regarding the impact of the new EPA regulations on our customer electric rates and our capital plan.

I appreciate your reference to my statement and to Wisconsin Energy Corporation. However, the reference appears to have been taken out of context and requires clarification.

It is true that we do not expect to see a large additional impact from the proposed EPA regulations. However, this is due to the voluntary actions we have undertaken and the significant investments that we have made. Our customers are already beginning to see the costs of these investments in their electric rates.

In 2000, we embarked on a plan we called "Power The Future". This plan included significant investments in advanced power generation, the addition of renewable energy resources and improvements to our existing power plants. The January 2011 commercial operation of the second of two new 615 megawatt coal-fueled generating units at our Oak Creek site effectively marked the conclusion of the multi-billion dollar Power The Future plan.

In 2003, we also signed a voluntary consent decree with the EPA and the Department of Justice under which we agreed to significantly reduce air emissions from our coal plants in Wisconsin and Michigan through a combination of installing new pollution control equipment, upgrading existing equipment and retiring certain less efficient coal-fueled units.

The Honorable Robert W. Perciasepe
August 5, 2011
Page 2 of 2

Today, we are nearing completion of a major air quality control project at our original Oak Creek coal units. In 2004, we completed a similar project at our Pleasant Prairie Power Plant. By the end of 2012, our coal fleet will be 85% scrubbed for SO₂ and NO_x, and we will have spent approximately \$1.2 billion on environmental upgrades alone.

Thus, while we believe we will not see a great impact to our customer rates or our capital plan as a result of the new EPA regulations, this is due to investments we have already made and actions we have undertaken to upgrade our generation fleet.

Please don't hesitate to contact me or Darnell DeMasters in our Washington, DC Office if you have any questions.

Sincerely,



Gale E. Klappa
Chairman, President and Chief Executive Officer

Cc: The Honorable Darrell Issa
Chairman, Committee on Oversight and Investigations

The Honorable Elijah Cummings
Ranking Member, Committee on Oversight and Investigations

The Honorable James Jordan
Chairman, Subcommittee on Regulatory Affairs,
Stimulus Oversight and Government Spending

The Honorable Dennis Kucinich
Ranking Member, Subcommittee on Regulatory Affairs,
Stimulus Oversight and Government Spending



Correspondence Management System

Control Number: AX-11-001-3758

Printing Date: August 15, 2011 02:39:53



Citizen Information

Citizen/Originator: Stanislaus, Mathy

Organization: Office of Solid Waste and Emergency Response (OSWER)

Address: 1200 Pennsylvania Avenue, NW, Washington, DC 20460

Constituent: N/A

Committee: N/A

Sub-Committee: N/A

Control Information

Control Number: AX-11-001-3758

Alternate Number: N/A

Status: For Your Information

Closed Date: N/A

Due Date: N/A

of Extensions: 0

Letter Date: Aug 12, 2011

Received Date: Aug 15, 2011

Addressee: AD-Administrator

Addressee Org: N/A

Contact Type: MEM (Memo)

Priority Code: Normal

Signature: SNR-Signature Not Required

Signature Date: N/A

File Code: 401_127_a General Correspondence Files Record copy

Subject: Daily Reading File- FY 2011 Federal Managers' Financial Integrity Act Assurance Letter. I am submitted the FY 2011 annual assurance letter attesting to the soundness of internal controls for the Office of Solid Waste and Emergency Response (OSWER).

Instructions: For Your Information -- No action required

Instruction Note: N/A

General Notes: N/A

CC: N/A

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
No Record Found.					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
(b) (6) Personal Privacy	OEX	OCFO	Aug 15, 2011

History

Action By	Office	Action	Date
(b) (6) Personal Privacy	OEX	Forward control to OCFO	Aug 15, 2011

Comments



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

RECEIVED

2011 AUG 15 PM 12:45

AUG 12 2011

OFFICE OF THE
EXECUTIVE SECRETARIAT
OFFICE OF
SOLID WASTE AND
EMERGENCY RESPONSE

MEMORANDUM

SUBJECT: FY 2011 Federal Managers' Financial Integrity Act Assurance Letter

FROM: Mathy Stanislaus
Assistant Administrator

TO: Lisa P. Jackson
Administrator

PURPOSE

In accordance with the *Federal Managers' Financial Integrity Act* (FMFIA) and Agency guidance, I am submitting the FY 2011 annual assurance letter attesting to the soundness of internal controls for the Office of Solid Waste and Emergency Response (OSWER).

STATEMENT OF ASSURANCE

Under my leadership, OSWER has assessed the effectiveness of its internal controls based on the five standards for internal control established by the Government Accountability Office. In my judgment, OSWER complies with Federal Managers' Financial Integrity Act requirements, and the internal controls within OSWER are adequate to reasonably ensure the protection of the programs, operations, functions, and resources for which I am responsible against fraud, waste, abuse, and mismanagement.

Additionally, in accordance with the American Recovery and Reinvestment Act of 2009 (Recovery Act) and Agency guidance, I can provide reasonable assurance that:

- All Recovery Act programs were managed effectively and efficiently, utilized reliable and accurate data to report achievement of program goals, and were in compliance with laws and regulations;
- All Recovery Act funds designated for OSWER have been used solely for the purpose of that program and, if applicable, were awarded and distributed in a prompt, fair, and reasonable manner;
- OSWER is monitoring the risks and internal controls identified in EPA's Recovery Act Stewardship Plan and is in compliance with the Stewardship Plan.

CERTIFICATION OF MANAGEMENT INTEGRITY TRAINING

I certify that appropriate staff (Senior Executive Service employees, GS-15 managers and supervisors, and Management Integrity Advisors) in OSWER has completed the Agency's on-line Management Integrity Training.

FRAMEWORK FOR ASSESSING INTERNAL CONTROLS

Adjustments Made to Program Review Strategies and Multiyear Plans

Between May 2010 and January 2011, OSWER programs finalized 64 key program review strategies identified at greatest risk, programs associated with Recovery act activities, and program associated with Office of Inspector (OIG) and Government Accountability Office (GAO) audits. In FY 2011, OSWER program offices reviewed their program review strategies and multi-year plans for conducting reviews and made the following adjustments to better capture the key programs and operations within OSWER. The revised program review strategies and multi-year plans are attached.

Due to a shift in administration/management priorities, as well as, budget constraints, the Office of Resource Conservation and Recovery (ORCR) made the decision to remove Resource Conservation Challenge (RCC) and the Tribal Grants as key programs. Although not a "one for one" replacement, several of the RCC's focus areas will be included and continued in the new Sustainable Materials Management (SMM) program, which shifts away from solely waste management to a life-cycle approach to materials management. The new SMM program supports the Administrator's climate change priority by identifying opportunities to reduce environmental impacts, including greenhouse gas reductions, and societal impacts across the life cycle of materials from how they are extracted, manufactured, distributed, used, reused, recycled, and disposed. A program review strategy for SMM is being developed. In FY 2011, the Tribal Grants program was reduced by 70% and in FY 2012, the program will be discontinued due to budget cuts. In the FY 2010 multi-year plan, ORCR originally planned to conduct a program evaluation of the Permitting Program in FY 2011. Funding uncertainties due to multiple Continuing Resolutions and the budget cuts sustained to the RCRA program in the FY 2011 final budget have necessitated ORCR moving the Permitting Program evaluation to FY 2014. The Regulatory Development program will be evaluated in FY 2012, and the Interagency Agreements program will be evaluated in FY 2013. The lead Region for RCRA solicited input from the Regional Division Directors and stated that the existing ORCR program review strategies are appropriate and the risk levels are correctly identified.

The Office of Superfund Remediating and Technology Innovation (OSRTI) removed human capital and grants from its list of key programs and operations. OSRTI will follow the guidelines and policies set by the Office of Administration and Resource Management (OARM) as the National Program Manager for these activities. OSRTI downgraded the risk level for the Special Accounts program review strategy from high risk to medium risk based on the results of its FY 2010 review, as well as, management controls put in place in response to the OIG's March 2009 report, "Improved Management of Superfund Special Accounts Will Make More Funds Available for Clean-ups." OSRTI's review found that while not all planned reclassification and transfer to the Trust Fund actions took place in the fiscal year they were originally planned, CERCLIS allows them to monitor those accounts and ensure there is an appropriate use of the funds, whether it be the action takes place in a future fiscal year or there are other response actions at the site the region will use the special account funds for. OSRTI also made adjustments to its long-term stewardship program review strategy, which is scheduled for review in FY 2012. OSRTI updated the program review strategy control activities section to reflect the fact that EPA

Headquarters revised the January 2000 guidance, entitled *Close Out Procedures for National Priorities List Sites*, in May of 2011. OSRTI downgraded the risk level for the Contracts Management program review strategy from high risk to medium risk based on the results of the FY 2010 review which found that all OSRTI project officers and contracting officer representatives are using appropriate and proper contracts management procedures in the day to day management of their contracts. In addition, over the past few years, OSRTI has not experienced any contract ratifications and is confident that contracts are being managed efficiently and effectively within the office. Also in FY 2011, the Lead Region coordinated an effort for all Regions to review the program review strategies and multi-year plans in OSRTI. OSRTI reviewed the Regional comments and determined that no changes are needed to be made at this time. OSRTI will continue to periodically review, in coordination with the Regions, its program review strategies and FY 2010-2014 multi-year plan and make adjustments as necessary.

The Federal Facilities Restoration and Reuse Office (FFRRO) grouped several individual program review strategies based on similarities, risk level, and management and oversight requirements, enabling more efficient reviews and reducing the amount of paper being used. The program review strategies were grouped as follows: Contracts and Cooperative Agreements were grouped under “Management of FFRRO’s Extramural Resources.” The management of dollars used for purchasing external services has similar oversight requirements and the responsible individuals must be certified by EPA’s Contracts and Grants office before they can enter into an external agreement. Government Purchase Card, Working Capital Fund, and eBusiness ordering are grouped under “Management of FFRRO’s Administrative Resources.” Administrative resources are used for purchasing supplies, ordering non-mandatory services from eBusiness, etc. Non-mandatory ordering refers to any Working Capital Fund orders in addition to the required desktop services (e.g., blackberries, cell phones, etc.). Similar reviews and monitoring are conducted over the course of the year to ensure the purchases benefit the Federal Facility program. The risk level is the same. The Uniform Federal Policy-Quality Assurance Project Plan (UFP-QAPP) and CERCLIS Data Quality are merged under Environmental Data Quality. The QAPP addresses the overall management and technical activities necessary to ensure that quality processes and procedures are built into the Superfund reporting activities, which is CERCLIS. FFRRO removed the Cross Agency Policy Consistency program review strategy. The FY 2010 program review strategy highlighted an inconsistency involving the Navy’s cleanup policy. In June 2011, the Navy announced they were in the process of changing their cleanup policy to reflect EPA’s recommendation. With the Navy satisfying EPA’s request, the workgroup has dissolved and future policy issues will be dealt with on an ad hoc basis.

The Office of Underground Storage Tanks (OUST) updated its Contracts-Grants Management program review strategy to include the recently added Term and Condition for LUST cleanup cooperative agreements that addresses the Solid Waste and Disposal Act site priority requirement. The new Term and Condition was in direct response to an Office of Inspector General evaluation of the LUST Recovery Act Cleanup cooperative agreements. OUST also updated its Hiring Practices program review strategy to change the review frequency from semi-annual to quarterly of OUST’s FTE ceiling to ensure that they are not exceeding their staffing allotment.

OUST updated its Multi-Year Plan for FY 2009 – FY 2011 to reflect the completed reviews (e.g., Financial Activities and Financial Management, Hiring Practices, Prevention Program – Implementing the Energy Policy Act, and Recovery Act program guidance). It provided anticipated completion dates for those activities that are either on-going or in progress (e.g., Recovery Act quarterly updates for the implementation of the Stewardship Plan; Cleanup Program – (1) guidance on the Financial Soundness of State Funds with an anticipated final product by the end of calendar year 2011, (2) ongoing “Lessons

Learned” for Recovery Act and non-Recovery Act Performance Measures reporting on an as needed basis, (3) review of states’ backlog characterization reports with an anticipated analysis document by the end of calendar year 2011; and for the Prevention activity the status of the revised UST regulations that are awaiting OMB approval). For FY 2012, OUST added a new activity for the Prevention program, a review of the states’ implementation of the Energy Policy Act operator training requirement. OUST deleted one activity that was to report jobs and expenditures relating to the Recovery Act because this activity is captured at the Agency level. The lead Region for OUST solicited input from the Regional Division Directors and stated that the existing program review strategies for OUST are appropriate and the risk levels are correctly identified.

The Office of Emergency Management (OEM) combined all of its financial activities (purchase cards, contracts, grants and interagency agreements) into one program review strategy entitled financial management. OEM added several OIG audits to their multi-year plan (see attached OEM Multi-Year Plan).

The Office of Brownfields and Land Revitalization (OBLR) did not make any revisions to its current program review strategies. OBLR is developing a program review strategy for contracts management which is expected to be finalized during in FY 2012. OBLR added the FY 2011 OIG All Appropriate Inquiries (AAI) report to its Multiyear Plan.

How OSWER Works with internal and external partners to identify risk

In FMFIA, "risk" is defined as factors which would hinder the: effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations. In the program review strategies, OSWER programs have identified risk that could prevent the achievement of program goals and objectives and have put in place policies, procedures, mechanisms, performance measures and monitoring systems to mitigate risk and ensure goals and objectives are being met. OSWER works with its regional, federal, state, local, and tribal partners on a continual basis to identify risks in its programs and to take steps to monitor and control those risks

OSWER participates with the Office of Inspector General (OIG) and the Government Accountability Office (GAO) in various studies/audits which are performed on programs within OSWER to identify risk. The Lead Regions for OSWER programs were consulted and provided feedback in the development of OSWER’s program review strategies and multi-year plans.

OSWER program offices work with their internal and external partners to identify risk in their programs as follows.

ORCR is made aware of State information and concerns’ regarding their programs by working closely through the grant it has with the Association of State and Territorial Solid Waste Management Officials (ASTSWMO) throughout the fiscal year in several capacities. ASTSWMO conducts regularly scheduled Solid Waste and Hazardous Waste conferences that are attended by ORCR program employees. These forums provide an excellent venue for ORCR to be made aware of issues that are risks or could become risks regarding state implementation of the RCRA program. Additionally, ASTSWMO employees are encouraged to relay information to ORCR as active participants in the RCRA Director meetings. For instance, during these meetings ORCR may be made aware of specific states that, due to internal state budget constraints and pressures, are having an increasingly difficult time contributing their portion of

the match to the federal funding and thereby putting that particular hazardous waste program in jeopardy.

ORCR utilizes numerous avenues in the tribal area to determine risk. ORCR publishes a Tribal Waste Journal, which involves interviews and information gathering regarding nationwide tribal experiences and needs related to ORCR programs. The outreach required to publish the Journal facilitates opportunities for ORCR to be made aware of program risks through the interviews and information gathering. Additionally, ORCR facilitates and attends a yearly Tribal Forum in which much of its program's impact, successes, or needs are made known. ORCR also actively participates in the National Tribal Operations Committee and National Tribal Caucus meetings. ORCR also obtains feedback from RCRA programmatic regional staff that has direct contact with the tribes. Finally, ORCR are active participants in President Obama's recent Executive Order that instituted the Tribal Consultation Policy, another mechanism to communicate and interact with the tribal community across the country regarding ORCR programs. Specifically, through these efforts, ORCR frequently will learn of a specific tribe's situation concerning problems with open dumps, household hazardous wastes, or used oil.

OSRTI works with its internal and external partners to identify risk in the organization that could hinder the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. Some of the internal partners OSRTI works with on a regular basis include Office of Site Remediation Enforcement (OSRE), Office of Emergency Management (OEM), Federal Facilities Remediation and Restoration Office (FFRRO), Office of Chief Financial Officer (OCFO), Office of Acquisition Management (OAM), Office of Research and Development (ORD), Office of General Counsel (OGC) and all of the regional Superfund program managers. Some of the major external partners OSRTI works with include: ASTSWMO, Agency for Toxic Substances and Disease Registry (ATSDR), National Institute for Environmental Health Sciences (NIEHS), and the Corps of Engineers. OSRTI also meets periodically with other affected groups as issues come up including Potential Responsible Parties, other federal agencies, and cleanup contractors. OSRTI consults and coordinates with federally-recognized tribes when impacted by Superfund sites. The Superfund program has targeted efforts towards bringing tribes into the Superfund process, site specifically and nationally. In FY 2011, a special session was held for tribal representatives on EPA's plans to revise the Hazard Ranking System. Tribal representatives were contacted individually and urged to attend, in person or by phone. Tribal views will be taken into account as OSRTI develops options.

FFRRO works with internal EPA offices (Federal Facilities Enforcement Office, Office of Water, OSRTI, etc.) and external partners [(Department of Defense (DoD), Department of Energy (DOE), states, local, tribal communities)] in coordinating the effort of ensuring human health and the environment are being protected. FFRRO meets regularly with DoD and DOE and other federal agencies to discuss site progress and resolve site dispute issues. FFRRO is also working with DoD on harmonizing its cleanup goals. There are issues with mining sites, and FFRRO is working with the Bureau of Land Management on addressing environmental concerns surrounding their sites. In October 2010, FFRRO hosted a two-day Federal Facility Cleanup Dialogue (Dialogue) which provided an opportunity for a diverse array of stakeholders to discuss the progress, achievements and challenges surrounding the cleanup of federally-owned contaminated sites. Participants in attendance during the two day event included federal agency officials from EPA, DOE, DoD, DOI, USDA, the Army Corps of Engineers, state, tribal, and local government representatives, and national and local community members from across the country who are actively engaged in and/or concerned about the federal facility cleanup program. A follow-up Dialogue meeting with federal agencies, tribal and community leaders is scheduled to take place in September 2011. At this meeting, FFRRO will be responding to

concerns and issues that stakeholders raised at the October meeting, such as long-term stewardship, five-year reviews, environmental justice, improving communication and information access, long-term monitoring, and institutional controls.

OUST communicates with its counterparts in the regions (Lead Region, Regional Program Managers and Regional Division Directors) through monthly conference calls and semi-annual meetings to discuss and identify risk related to the prevention and compliance of USTs and the cleanup and corrective action of leaking USTs. Additionally, OUST interacts through bi-annual and annual meetings and regular conference calls with its state, tribal, and non-profit organization partners to discuss and identify risks for the UST and LUST programs. For example, regions and/or states inform OUST about problems with the adequacy of state funds and state layoffs which affect the UST/LUST program.

OBLR is in constant communication with state, local and tribal governments, other Federal Agencies and Non-Profit Groups through direct feedback, gathering information from cooperative agreement recipients via the Assessment, Cleanup, and Redevelopment Exchange System (ACRES) and through informal outreach during regional/multiregional events and the national Brownfields conference. Any risks that are identified through this contact with partners are channeled to the appropriate subject matter experts and additional controls are put in place as necessary. OBLR gets feedback from all Regions via the Lead Region process and by soliciting feedback during the generation of the National Program Managers (NPM) guidance as well as regularly scheduled meetings for Brownfields Coordinators, Land Revitalization Coordinators, Data Coordinators, and Budget Contacts. OBLR also solicits feedback on all programmatic and financial issues from Project Officers and others related to the programs.

Through national level exercises, actual incidents, and annual reviews, OEM works with EPA's program and regional offices to identify risks throughout OEM's programs, including: CORE National Approach to Response (NAR), Emergency Operations Center (EOC), Continuity of Operations Program (COOP), Information Security, Risk Management Program (RMP), and various financial activities. OEM's internal partners routinely include the Office of Air and Radiation, Office of Water, Office of the Administrator, Office of the Chief Financial Officer, Office of General Counsel, Office of Enforcement and Compliance Assurance, and other offices within EPA Headquarters and all regional offices. In addition, depending on the exercise or incident, OEM's external partners include the Department of Energy, Federal Emergency Management Agency, US Coast Guard, Centers for Disease Control and Prevention, and state and local government agencies. OEM also works with Tribes through Regional Response Teams, during incidents that may impact their lands. Each of these partners provides feedback on the processes and procedures used during exercises and incidents.

How OSWER uses the NPM guidance and Lead Region processes to identify risks

OSWER headquarters is responsible for drafting its program implementation guidance for the regions, states and tribes. OSWER engages its regional Superfund and RCRA Lead Region Coordinators during the development of the draft guidance to discuss program and policy direction, largely established during earlier budget development, and revisions to our operational performance measures. Upon receiving OSWER's draft guidance, the Office of the Chief Financial Officer (OCFO) will post the guidance on its internet site and notify its counterparts in the EPA regional offices. OCFO also will notify or otherwise engage the Environmental Council of the States, EPA regional and tribal planning contacts. The review period lasts approximately one month. OCFO has established procedures for EPA's state and tribal co-implementers and stakeholders to provide comments on the draft guidance.

Regional and stakeholder comments and suggestions are considered by OSWER for the final draft of the guidance which is generally released in late-April.

OSWER programs use the NPM Guidance as an internal Agency control that ensures effective program operations and implementation by EPA regions and states. As part of an annual EPA-wide process, OSWER develops its National Program Managers Guidance to describe priorities, goals and direction to EPA regions, states and tribes for implementing its programs for the upcoming fiscal year. The OSWER Guidance defines national policy, strategic goals and priority activities consistent with EPA's strategic plan and annual performance plans. The Guidance also addresses priority areas which are not directly covered by a performance measure, which provides a management control for the areas. The regions and states use the NPM Guidance as the framework for their state and tribal assistance agreements' work plans for assessing the recipients' performance measures results and ensuring effective program operations. The NPM Guidance contains a table of all performance measures and annual targets for the program, and describes expected major implementation activities important to achieving OSWER's performance goals. Finally, the NPM Guidance serves as a framework for ensuring consistency among the regions, states and tribes concerning program priorities and implementation strategies for achieving our national goals.

In FMFIA, "risk" is defined as factors which would hinder the: effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations. OSWER works with its regional partners on a continual basis to identify risks in its programs and to take steps to control those risks. The Lead Regions for OSWER programs were consulted and provided feedback in the development of OSWER's key program review strategies and multi-year plans. The following are some examples of how OSWER offices work with regional offices to identify risks.

OSRTI routinely communicates and coordinates with the Superfund Lead Region (currently Region 2) on a large array of policy, budget and program management matters. In this regard, the Office holds a biweekly call with the Superfund Lead Region Coordinator and uses the coordinator to facilitate continual discussions with Regional Division Directors and Branch Chiefs on a multiplicity of topics. Some recent examples of efforts that OSRTI has coordinated with the Regions thru the support of the lead Region include: 1) developing Integrated Cleanup Initiative action plans to start, advance and complete cleanups, 2) finalizing the Action Plan for Managing Superfund Remedial Projects to Completion, 3) identifying high and low Superfund Remedial Program priorities as part of the FY 2013 budget formulation process, and 4) developing templates for the management of program projects in the Superfund Enterprise Management System (SEMS). Multiple workgroups, conference calls, national meetings, and training events have been employed to identify and address site assessment "risks" and issues as part of the Integrated Cleanup Initiative. OSRTI works with regional deletions coordinators to ensure the deletions procedures are followed by regional project managers. OSRTI sends quarterly management reports to the Superfund Division Directors and the Special Accounts Senior Management Committee informing them of planned reclassification and transfer to the Trust Fund actions for the current fiscal year, and the status of those planned actions. OSRTI also discusses the status of planned reclassifications and transfer to the Trust Fund actions during special account work planning meetings with each of the regions.

OUST communicates with its counterparts in the regions, (Lead Region, Regional Program Managers and Regional Division Directors) through monthly conference calls and semi-annual meetings to discuss and identify risk related to the prevention and compliance of USTs and the cleanup and corrective action

of leaking USTs. For example, regions inform OUST about problems with the adequacy of state funds and state layoffs which affect the UST/LUST program.

OBLR gets feedback on potential program risk from all Regions via the Lead Region process and by soliciting feedback during the generation of the NPM guidance as well as regularly scheduled meetings for Brownfields Coordinators, Land Revitalization Coordinators, Data Coordinators, Budget Contacts and solicits feedback on all programmatic and financial issues from Project Officers and others related to the programs.

ORCR interacts frequently with Region 3, the current Lead Region for RCRA. The Lead Region is responsible for setting up the RCRA Regional Directors meetings that occur twice a year, and making the arrangements and developing the final agenda for the RCRA Director's Teleconferences that occur on a monthly basis. Additionally, the Lead Region is conferred with continuously regarding budget decisions impacting the RCRA program to ensure a consistently national approach and message for the program. Through these communications, ORCR is made aware of potential risk factors to the successful implementation of the program. Those might include lack of resources for any particular Region related to RCRA and the implications, programmatic problems with specific States or tribes within a Region and Region specific concerns or problems with the strategic direction of the program. The Lead Region is extremely important to the RCRA program as a focal point and venue for communicating with all the Regions on all aspects of the RCRA program.

In FFRRO, potential environment risk issues are raised during meetings with the Regional Five Year Review Coordinators and the Federal Facility Leadership Council. For example, CERCLIS data is discussed at regional work planning meetings and Superfund Division Director Meetings to ensure the CERCLIS database contains accurate information for Federal Facility sites. FFRRO works with the Regions via verbal and written communications to ensure the Federal Facilities Program is using DoD's BRAC resources to pay for only those individuals authorized to do BRAC work.

OEM works with the regions during annual exercises and incidents. OEM program risk is primarily identified during multiple annual Agency and Interagency exercises and incidents. Operating processes and procedures that OEM tested and updated the previous year are, tested again. Exercises simulate real time responses to large scale incidents and test how the Agency responds and how the Agency works with other organizations at the Federal, state, and local levels. Following each exercise, a thorough review of performance is conducted. Areas of risk are identified and necessary changes to operating processes and procedures are instituted to insure the identified risk is eliminated. OEM and Regional offices perform periodic desk audits of risk management plan data submitted in order to verify data quality and accuracy.

Large scale exercises and responses, such as Liberty Rad Ex and the Deepwater Horizon (DWH) oil spill, assist OSWER and the Regions in identifying program risks as well as strategies to address those risks. For instance, as a result of the DWH oil spill response, OEM is working on some regulatory revisions related to the management of the use of dispersants to better inform and equip responders on how to address future oil spills. After Liberty Rad Ex and some other large exercises, EPA has identified some processes to improve coordination between EPA offices and for using ICS structures more effectively. Other program improvements, ranging from administrative and financial management matters to technical response decisions, are identified via "Lessons Learned" and after-action response reviews. These improvements are implemented via regulatory and policy changes and these changes are closely coordinated with the Lead Region and other stakeholders. In addition to promulgating the policy

and regulatory changes, the annual On Scene Coordinator (OSC) Readiness Training is a vital forum for communicating these changes to the field response OSCs. Several classroom sessions deal with "hot issues", and plenary sessions to all participants address and inform everyone of recent and upcoming policy and regulatory changes that will impact the response program.

RESULTS OF INTERNAL CONTROL REVIEWS

Over Programmatic Operations

ORCR Tribal Program

The OIG completed an audit of the ORCR Tribal program to determine how effectively EPA is helping Tribes develop their solid waste management capacity. The report listed two recommendations:

- a. Develop and implement an Agency-wide plan for providing consistent and effective tribal solid waste management capacity assistance that is within the scope of EPA's authority and responsibility.
- b. Require that the Agency-specific plan include:
 - i. Descriptions of the roles and responsibilities for the EPA program offices and EPA regions conducting solid waste management capacity assistance activities in Indian country.
 - ii. Identification of the Agency resources required for providing solid waste management assistance activities.
 - iii. Performance measures, including both output and outcome measures, to track whether its assistance is consistent and effective in developing solid waste management capacity and reducing risks from open dumps in Indian country.
 - iv. Internal controls to ensure consistent data collection and consistent provision of waste management capacity assistance to tribal clients nationwide.
 - v. Process to ensure coordination between EPA program offices and regions.
 - vi. A timeline specifying when the activities and outcomes outlined in the plan are expected to be accomplished.

In response to the OIG recommendations, EPA has created a national workgroup to draft an agencywide plan that will address all of the OIG recommendations. It is anticipated that the Agency-wide plan will be completed by April, 2012.

RCRA Info System

An audit of the RCRAInfo System was completed by the OIG, and a briefing report titled, "EPA Could Improve RCRAInfo Data Quality and System Development," was issued on February 7, 2011. The report contained eight recommendations. We agreed with the OIG recommendations, and we believe we have successfully addressed and implemented all of them as follows: changed the process for loading Biennial Report (BR) data, made suggestions and recommendations to States regarding the importance of document retention during National Conferences, training sessions and outreach activities, included Weight and Volume Conversion guidance in all BR instruction booklets, created and implemented monthly data quality queries to check production data, placed a procedure in place of testing each release prior to implementation, and created and added to the monthly data quality queries a check of RCRAInfo production data for any field containing the work "test."

Coal Combustion

The OIG conducted an evaluation to determine if EPA followed accepted and standard practices in determining that coal combustion waste is safe for 'beneficial uses.' The OIG issued the evaluation report "EPA Promoted the Use of Coal Ash Products with Incomplete Risk Information," (Report No. 11-P-0173), on March 23, 2011. The report listed two recommendations. We responded to the report concurring with the recommendations. The OIG has requested we revise our response to include a corrective action plan and estimated milestone completion dates for each recommendation.

Superfund Contracts

Starting in FY 2010 and completed in FY 2011, OSRTI performed a program review of post-award contracts management processes in Headquarters to determine if current policies and procedures are being followed and to identify areas of weakness that might need improvement. The Contracts Management Branch (CMB) interviewed and reviewed the files of three Headquarters Project Officers (POs) and three Headquarters Contracting Officer Technical Representatives (COTRs) to determine how monthly monitoring and invoice reviews are being performed and documented. CMB also asked the interviewees what training would be beneficial to assist in their jobs.

This review determined that POs and COTRs use appropriate procedures in reviewing their contracts progress reports. All of the POs/COTRS are using the "PO Invoice Review List" to guide their review of invoices. In addition, the POs and COs are Federal Acquisition Certification in Contracting (FAC-C) certified. The POs and COTRs did identify work plan development, Independent Government Cost Estimates (IGCEs) and the use of the financial data warehouse as areas for additional training. We offered IGCE training in May and are working on a schedule to offer training in the other areas.

Superfund Special Accounts

In FY 2010, OSRTI performed a program review of Superfund special accounts to ensure that regional offices followed through on planned reclassifications, transfers of special account receipts to the general portion of the Superfund Trust Fund, and account closures. The management, oversight, and completion of these activities was identified by the Office Of Inspector General's (OIG) March 2009 report, "*Improved Management of Superfund Special Accounts Will Make More Funds Available for Clean-ups* (Report # 09-P-0119)", as an area needing improvement. To conduct this review, OSRTI evaluated the accomplishment of reclassifications, transfers to the Trust Fund, and account closures against what was planned in the Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) for FY 2009 and FY 2010.

OSRTI's review found that the total number of accounts and dollar amounts reclassified and transferred to the Trust Fund, and accounts closed, increased from FY 2009 to FY 2010. However, all planned actions were not completed in the fiscal year they were originally planned, and more than a quarter of reclassifications, transfers to the Trust Fund, and account closures planned to occur in FY 2010 were moved to FY 2011 or a later fiscal year to be completed. OSRTI's review supported recommending to the Special Accounts Senior Management Committee a threshold of \$200K to require Headquarters notification via a formal memorandum for reclassifications and transfers to the Trust Fund. The Special Accounts Senior Management Committee approved this change, and notifications may now be made by email to Headquarters staff for actions less than \$200K. OSRTI and Office of Site Remediation Enforcement (OSRE) will review a sample of accounts with email notifications each fiscal year to ensure

appropriate compliance with guidance. It is anticipated that this will streamline these processes by reducing the number of notification memos Regions are required to develop, while still providing Headquarters the ability to ensure appropriate application of guidance for funds identified for reclassification and transfer. OSRTI continues to monitor completion of planned actions with the institution of these changes in FY 2011.

Interagency Agreements (IAGs)

In November 2010, the Office of Inspector General released a report entitled, “EPA’s Terms and Conditions as Well as Process to Award Interagency Agreements Need Improvement (Report #: 11-R-0016)”. The OIG conducted this review to examine EPA’s use of IAGs for ARRA activities. Specifically, this audit was conducted to determine whether Recovery Act IAGs identified clear lines of responsibility and whether EPA awarded Recovery Act IAGs based on sound business decisions. In the Report, the OIG recommended that OSWER prepare a program evaluation of levels of effort and the cost of the processes associated with procuring, managing, and overseeing Superfund construction contracts, and use this program evaluation to develop a strategy for determining the best value for delivering Superfund construction contracts. In response, OSRTI agreed to conduct a program evaluation and use the findings in developing its contracting strategy. This is scheduled for completion by October 31, 2011.

All Appropriate Inquiry (AAI)

On February 14, 2011 the Office of Inspector General (OIG) issued its report “EPA Must Implement Controls to Ensure Proper Investigations are Conducted at Brownfields Sites.” The OIG audit findings indicated that some AAI reports do not comply with all of the documentation requirements of the final All Appropriate Inquiries Rule. In response to the OIG findings and recommendations, OBLR agreed to the following corrective actions: develop and distribute a factsheet and checklist to Brownfields Assessment Grantees, beginning with FY 2011 grantees; require that Brownfields Assessment Grantees, beginning with FY 2011 grantees, complete the checklist for each AAI report developed with grant funds; develop and distribute training materials on the AAI Rule to Regions; conduct training on the AAI Rule at regional grantee meetings and national conferences where Brownfields Grantees will be in attendance; Regional Project Officers, beginning with FY 2011 Assessment Grants, will review grantee compliance with the AAI Checklist annually by reviewing a random sample of grants representing 10 percent of assessment grants under which at least one assessment was conducted during the fiscal year; beginning in FY 2012, Regional Project Officers in each Region will audit/review at least one AAI report from the random sample of assessments reviewed each year to determine grantee compliance with the documentation requirements covered by the checklist; develop a cooperative agreement term and condition addressing when non-compliance with the AAI rule under a Brownfields Assessment Grant could result in a material and affirmative effect upon the grant or program and result in the disallowance of costs; and include the term and condition in all FY 2011 assessment grantee cooperative agreements.

As of July 1, 2011, OBLR completed the AAI factsheet and checklist and developed the cooperative agreement term and condition. The remaining actions will be completed as scheduled.

Grant Selection Process (Grant Efficiencies)

In 2011, OBLR undertook an intra-office review in which the Brownfields grant selection and award process was evaluated to identify opportunities for increased efficiency. The Grant Efficiencies report

recommendations proposed a total of nine interrelated actions to improve the timeliness of Assessment, Revolving loan fund, Cleanup (ARC) awards. The recommendations included: starting the brownfields grant competition cycle earlier in the year, developing standardized templates for administrative award documents and conducting hands-on workshops across the regions to streamline work planning preparations for new grantees. In 2012, and continuing in 2013, EPA will implement the grant efficiency report recommendations and, in 2013, perform an assessment of a representative sample of Brownfields awards to determine the effectiveness of the implemented recommendations.

Core National Approach to Response (NAR)

OEM's Core NAR program is an assessment of each Region's, Headquarters' (HQ) and Special Team progress in emergency preparedness activities for multiple nationally significant events. Core NAR applies to all Offices (in HQ, Regions, and EPA Special Teams) that might have a role in preparing for and responding to major incidents. In FY 2010, OEM conducted reviews of the EPA's overall emergency preparedness and response activities. Key findings from the FY 2010 Core NAR review include: EPA has a highly involved National Incident Command Team (NICT), in which all AA-ships participate regularly; all AA-ships are 3-deep in Key Leadership Positions (KLPs); HQ Emergency Operations Center (EOC) was effectively activated for the Deepwater Horizon response; three new Job Aids related to National Decontamination Team (NDT), law enforcement, and Nuclear Incident Response Team (NIRT)) were created; successful Response Support Corps recruitment and training continued with RSC members engaged during the Deepwater Horizon Response; full-scale laboratory exercise was held in Regions 9 and 10 to test the Water Laboratory Alliance (WLA) Plan; 2nd WLA Security Summit was held in June and attendees included over 100 persons representing various emergency management sectors and the lab community; and the Office of Public Affairs was very effective during the Deepwater Horizon response. As a result of these reviews, in FY 2011 OEM added a new review element for which the Agency will be assessed. This element, Core NAR for chemical, biological, radiological, and nuclear incidents, is an assessment of the Agency's preparedness to respond to these specific kinds of incidents. This program will be evaluated again in FY 2012.

Emergency Operations Center (EOC)

The EPA Headquarters EOC, maintained and operated by OEM, serves as Headquarters' hub for situational awareness for incidents involving oil and hazardous materials and/or any incident involving significant environmental impact(s). In FY 2011, the EOC again tested and implemented its procedures for activation and operations during the National Level Exercise (NLE 2011) that took place during May 2011. During these exercises, the EOC worked with internal and external partners, including other federal and state agencies to test its procedures and operations. No deficiencies were found, nor corrective actions needed. The EOC will continue to evaluate its procedures for activation and operations in FY 2012.

Continuity of Operations Program (COOP)

The National Continuity Policy is a White House directive that sets forth a vision to ensure the continuity of our Government. To comply with this directive, EPA must plan for and continue critical Agency mission essential functions during emergencies. In FY 2010, EPA participated in the federal government-wide Eagle Horizon COOP exercise. During this exercise, the COOP worked with both internal and external partners to test the effectiveness of EPA's plan and procedures. In FY 2011, OEM focused on remedying the deficiencies found during the exercise. These remedies include: developing a

revised Headquarters COOP Plan; working with the Office of Administration and Resources Management and the Office of Environmental Information in scoping and developing mass notification capabilities; documenting the inclusion of Continuity Program requirements in the annual OSWER budget; developing vital records plan packets and outlining a revised records management review process for COOP Planners and Records Management Officials; sending out a memorandum that outlines Emergency Relocation Group (ERG) member responsibilities and requiring signatures from all ERG members acknowledging those responsibilities; developing annual training modules for COOP awareness and COOP introductory courses; working with Region 8 to develop Devolution of Operations and Reconstitution plans for Headquarters; and developing a Corrective Action Plan database for the Program.

Information Security

OEM's challenge is to maintain its information and computer resources in a secure manner that meets the evolving information technology and unique business needs of our program offices, laboratories and regions. In FY 2011, EPA's OIG conducted a review of OEM's National Emergency Response Equipment Tracking System. In response to the OIG recommendations, OEM is currently working on improving the responsiveness by optimizing the data entry screens so that users can enter the essential tracking data quickly and efficiently. They are planning to conduct a thorough alternatives analysis by Spring 2012, utilizing an outside firm that specializes in this analysis. This analysis will consider several products, including commercial and government off-the-shelf software. Once complete, OEM will share the results with the OIG for review. While OEM conducts this analysis, they will still move forward with the bar code scanning functionality. If the alternatives analysis shows that OEM should move to another solution, the bar code scanners can be integrated into that tool. OEM will prepare a memorandum for the Deputy Administrator's signature by Fall, 2011 requiring the Regions and Special Teams to use the Equipment Module.

Risk Management Program (RMP)

The EPA RMP aims to prevent catastrophic chemical releases at hazardous chemical facilities and minimize the consequences of those that do occur. In FY 2010, all 10 EPA Regions met or exceeded the goals for overall RMP facility inspections and high-risk facility inspections. In FY 2011, EPA, through the National Program Managers (NPM) Guidance, set the goal that regions should perform inspections of 25 percent of the total number of RMP regulated facilities in the region. Inspections at high-risk facilities should also include an evaluation of compliance with applicable EPCRA and CERCLA requirements. Of these inspections, 25 percent should be conducted at high-risk facilities. Inspection performance will be reviewed again in FY 2012. The RMP program is currently undergoing an audit by EPA's OIG. OEM will respond to any audit findings and recommendations, as necessary.

Community Involvement

OSR II is currently conducting a program review of community involvement. Specifically, this review is being conducted to evaluate the effectiveness of Superfund Information Repositories (IRs) as a public resource for site information delivery. Also, it will ensure that the Community Involvement Plan (CIP) tool in the Community Involvement Toolkit reflects guidelines on developing an effective community involvement strategy. This program review is scheduled for completion by the end of calendar year 2011

Remedial Action

OSRTI is currently conducting a program review of remedial action. Specifically, this review is being conducted to evaluate that the scope of action for each discrete Remedial Action (RA) project is consistent with EPA guidance. Also, it will analyze planned RA completion dates (Fiscal Year / Quarter) to assure they reflect best professional judgment and are updated when new information becomes available. Finally, it will determine whether RA project completion is documented consistent with EPA guidance. This program review is scheduled for completion by the end of FY 2011.

Site Assessment

OSRTI is currently conducting a program review of site assessment. Specifically, this review is being conducted to evaluate workloads to help determine potential process delays. Also, it will analyze the communication of national assessment requirements and ensure consistency in implementation. Finally, it will identify known and emerging challenges to the site assessment process and implement process changes to address these challenges. This program review is scheduled for completion by the end of FY 2011.

Follow-up Review of OIG Libby Asbestos Report

In November 2010, the OIG began a follow-up review of recommendations made in their December 2006 Report entitled, “*EPA Needs to Plan and Complete a Toxicity Assessment for the Libby Asbestos Cleanup*, (Report #: 07-P-00002)”. The OIG is conducting this review to evaluate the status of the actions taken or planned in response to the recommendations in the report.

Five-Year Reviews

In December 2010, the OIG began a review of Superfund five-year reviews entitled, “*Superfund Sampling Capping Report*”. The OIG is conducting this review to determine whether EPA has effective management controls to ensure Superfund five-year Reviews are thorough, meet policy requirements, and lead to determinations that are protective of human health and the environment.

Special Accounts

In October 2010, the GAO began a review of Superfund special accounts. The GAO is conducting this review to determine the current status, including numbers, balances, totals, and uses of Superfund special accounts. This review will also determine how EPA monitors and manages its special accounts.

Phosphate Mining

In March 2011, the GAO began a review of phosphate mining on federal land. The GAO is conducting this review to determine what processes federal agencies use to permit phosphate mining operations and monitor environmental impacts.

Uranium Mining

In May 2011, the GAO began a review of uranium mining on federal land. The GAO is conducting this review to provide information on: 1) the federal regulations and policies that govern the extraction of

uranium on federal land and comparing these to the Department of Energy's uranium leasing program; 2) the number and status of claims for uranium mining on federal land; 3) the types, amounts, and coverage of financial assurances held to ensure reclamation of uranium mining sites on federal land; and, 4) the number and location of abandoned uranium mining sites on federal land and the reclamation and remediation costs posed by these sites.

Over Recovery Act Operations

Monitoring of ARRA Implementation

OSRTI oversees the obligation and expenditure of funds in support of ARRA Superfund projects. As part of this effort, OSRTI evaluates the status of projects on a weekly basis and addresses issues that arise that might affect ARRA spending. A cross-divisional team meets weekly to discuss ARRA status and correct the issues that have been identified. In addition, OSRTI staff participates on the various subcommittees overseeing ARRA implementation, and use the subcommittee meetings to share changes that have occurred in the ARRA process, e.g., issuance of new OMB Guidance. OSRTI also monitors ARRA projects' achievements using eight annual program performance measure goals established by the ARRA implementation guidance. These goals help provide a snapshot of progress for the ARRA projects. Finally, OSRTI provides a weekly financial report that monitors ARRA project obligations and expenditures to the Superfund Office Director.

OSRTI is also responsible for overall monitoring and reporting on ARRA projects. Each Region supervises the quarterly reporting by ARRA recipients, including recording administrative errors and/or major errors that occur. OSRTI certifies, as part of the Agency Stewardship Plan, that the appropriate activities specified by the plan for cooperative agreements (CAs) have been performed by the Regions.

In carrying out ARRA implementation, OSRTI performs several reviews each reporting period. These reviews include recipient reporting reviews, stewardship plan implementation reviews, and analysis and evaluation monitoring. For example, baseline reviews for CAs must be performed and reported on a quarterly basis. OSRTI reviews the CA baseline database approximately 15 days after the end of the review period to assure that the Regional Project Officers (RPO) have performed the review and provided their review in the database and to observe any reported findings. OSRTI also reviews Recovery.gov and the Executive Dashboard report from the EPA Tracking and Reporting Subcommittee. These reviews verify that the Regions have monitored the recipient data and identified if there are errors reported. If OSRTI finds that a regional review is missing, the RPO is contacted to determine the status of the report, what is needed to make appropriate corrections and to ensure that the deadline is met. Each quarter, OSRTI provides to the OSWER Recovery Act Senior Information Officer (SIO) a certification that ARRA CA recipient data have been reviewed, the status of any findings from the regional reviews, the project expenditure rate and reported jobs.

In late FY 2011, OSRTI will begin a review of how regional staffs monitor the ongoing performance of ARRA contracts, CAs and interagency agreements (IAGs). This review will be conducted to ensure that: funds are awarded and distributed in a prompt, fair and reasonable manner; recipients and uses of funds are transparent to the public, and benefits of funds are reported clearly, accurately, and in a timely manner; funds are used for authorized purposes and instances of fraud, waste, error, abuse are mitigated; projects funded under ARRA avoid unnecessary delays and cost overruns; and, program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

Oversight of Recovery Act Operations LUST

Recovery Act LUST funds are used for overseeing the assessment and cleanup of leaks from underground storage tanks or directly paying for assessment and cleanup of leaks from federally regulated tanks where the responsible party is unknown, unwilling or unable to clean up the site or the cleanup is an emergency response. The majority of the LUST Recovery Act work is delegated to states with EPA regions performing oversight. OUST does not manage the Recovery Act LUST assistance agreements. These assistance agreements were awarded and are managed in the Regional offices.

To date in FY 2011, OUST has conducted three quarterly internal control reviews for the Recovery Act Implementation. Specifically, OUST monitored the Recovery Act work through program and process (data entry) management reviews.

OUST performed a final quality review of the 1512 Reporting Requirements data and the Recovery Act LUST4 performance measure results for the first three quarters in 2011 and continues to monitor and certify that the performance measure (LUST4) and 1512 reporting requirements information are correct. For the first quarter review period of FY 2011 for the LUST4 performance measures, OUST issued a consolidated *Lessons Learned* Memoranda for the regions and states, as well as policy clarifications, see http://www.epa.gov/swrust1/eparecovery/recipientreporting_12132010.pdf. This consolidated document provided new clarification for when recipients file their final ARRA performance measures reporting, e.g., at the end of the quarter in which all funds associated with their ARRA assistance agreements have been expended, whether or not the funds have been drawn down. The *Lessons Learned* Memoranda also reminded the recipients that OMB revised its guidance on the reporting of vendor payments, and provided the EPA ARRA Location Mapping link which is an interactive map of the Recovery Act investments. OUST provided ongoing outreach to Regions and states via conference calls.

Brownfields ARRA Grant Management

OBLR conducted an internal review of the Brownfields ARRA grant management process, and it was completed in April 2011. OBLR has identified several challenges to effective implementation of the ARRA funds that are being addressed to ensure an effective implementation strategy. Our immediate concerns are focused on demonstrating recipient progress since the program currently only collects data on accomplishments completed with cooperative agreement funds that typically may not occur till the end of the Cooperative Agreement. Under ARRA, the Program has found great success on getting information/reports on interim progress of recipients through our established reporting system, *Assessment, Cleanup, and Redevelopment Exchange System* (ACRES). Outreach, training and communication to EPA staff and ARRA recipients on the requirements of ARRA have addressed the sharing, timeliness and accuracy of recipient and subcontract/grant information. Despite facing some implementation challenges no weaknesses or significant deficiencies were identified.

Specific activities undertaken in FY 2011 and will be continued in FY 2012 are:

1. A comprehensive "scorecard" review of all ARRA awards was conducted by headquarters staff including analysis of drawdowns, 1512 reports, ACRES reporting and the meeting of significant progress milestones. Results of the review were shared with the Regions. This activity will be undertaken at least one more time before December, 2011.

2. In March 2011, a memo was issued from the Director to all Brownfields ARRA Project Officers, with the intent to be shared with the grantees, outlining the immense scrutiny and pressure to draw down funds as good fiscal stewards and partners in environmental protection.
3. As part of the Brownfields Coordinator and Monthly Data & Reporting calls, ARRA drawdowns are a standing agenda item for discussion and review as well as an opportunity for Regions to discuss and share best practices.
4. Outreach has been conducted by the OBLR ARRA lead to specific grantees that are experiencing low drawdowns or other logistical hurdles in executing projects.
5. Updates on project status have been provided to HQ by POs and Regions where specific projects of concern have been identified.
6. The regular cycle of ARRA communications has continued, including PO meetings with grantees, communications from HQ regarding DUNS/CCR Registrations etc. in preparation for another reporting cycle. OBLR continues to participate in the ARRA Grants and ARRA Tracking and Reporting subcommittee meetings.
7. As needed, before the end of December 2011, OBLR will identify those grantees not making sufficient progress and will take the appropriate next steps, consistent with grants policy and process.

Over Financial Activities (OMB Circular A-123, Appendix A)

Unliquidated Obligations – See AL Form 2011-008 (c)
Superfund Site Identifier ZZ Accounts – See AL Form 2011-010
Control Environment – See AL Form 2011-005

CURRENT WEAKNESSES

OSWER does not have the lead for addressing any of EPA's current weaknesses. However, where appropriate, we provided feedback to the Lead Office on weaknesses for which they have the lead.

MANAGEMENT CHALLENGES AND POTENTIAL WEAKNESSES IDENTIFIED BY OIG, GAO, AND OMB

For FY 2011, GAO proposed "Addressing the cost and pace of cleanup at Superfund and other hazardous waste sites" as a management challenge. OSWER does not believe these issues rise to the level of an Agency-level weakness that should be raised to the Administrator (see our rationale in Attachment AL Form 2011-004).

The OIG proposed "Safe Use of Contaminated Sites" as a management challenge. OSWER does not believe these issues rise to the level of an Agency-level weakness that should be raised to the Administrator (see our rationale in Attachment AL Form 2011-004).

OSWER provided feedback on the OIG proposed management challenge led by the Office of the Administrator entitled: "Oversight of Delegations to States." Specifically, the OIG stated that the Superfund Program did not provide adequate oversight of the Bruin Lagoon site; Region 6's documentation of its oversight of the New Mexico Environment Department's management of the Sandia National Laboratory's Mixed Waste Landfill monitoring wells was insufficient and the OIG could not determine whether the hot line allegations had merit or whether New Mexico Environment Department's actions and decisions were technically sound; and the RCRAInfo data that track hazardous waste handlers and the shipment and receipt of hazardous waste contain errors and are

missing source documentation, calling into question the quality and reliability of data within the RCRAInfo system, as well as any resulting reporting, OSWER's response is as follows:

“In response to the OIG's findings that the Commonwealth of Pennsylvania did not collect ground water monitoring data at the Bruin Lagoon site as required by the terms of the Superfund State Contract, EPA Region 3 developed new documentation procedures to address any future instances of non-compliance. The procedures, as documented in an October 2010 memorandum from the Director of the Office of Superfund Site Remediation, include consulting with Regional Counsel and documenting the non-compliance in a letter to the State. In instances of continued non-compliance, the issue will be elevated within EPA and the state, and counsel will determine necessary actions to ensure a state carries out its obligations.”

In response to the OIG finding that Region 6's documentation of its oversight of the New Mexico Environment Department's management of the Sandia National Laboratory's Mixed Waste Landfill monitoring wells was insufficient and they could not determine whether the hot line allegations had merit or whether New Mexico Environment Department's actions and decisions were technically sound, the RCRA program provides adequate oversight of state programs through several means. Under the RCRA program, EPA sets out national baselines and state commitments for grant funding. The RCRA program monitors the progress toward these goals through the Government Performance and Results Act (GPRA) and its Annual Commitment System, through discussions with our Regions (who meet directly with states to assess progress), and through frequent interaction with ASTSWMO. The RCRA program works closely with ASTSWMO at the board-level as well as in subgroups for particular topics (e.g., corrective action and permitting). In addition, ORCR works closely with states to issue rules and guidance to address issues of concern and provide implementation assistance for state programs.

In response to the OIG finding that the RCRAInfo data that track hazardous waste handlers and the shipment and receipt of hazardous waste contain errors and are missing source documentation, calling into question the quality and reliability of data within the RCRAInfo system, as well as any resulting reporting, OSWER agrees with the OIG audit recommendation as far as making suggestions and recommendations to the States regarding the importance of document retention. Each State creates its own policy, and ORCR will continue to stress this during National Conferences and during training sessions and outreach activity.

The OIG proposed Tribal Environmental Capacity Building as an agency-level weakness. OSWER does not believe this issues raise to the level of an agency-level weakness. The Office of International and Tribal Affairs (OITA) has the lead for responding to this weakness. As indicated in the Deputy Administrator's memorandum to the OIG in response to their *Evaluation Report, EPA Needs an Agency-Wide Plan to Provide Tribal Solid Waste Management Capacity Assistance*, EPA has created a national workgroup to draft an agency-wide plan, consistent with the EPA's statutory and regulatory authority, where the primary goals are to foster sustainable solid-waste management, address high-risk dumps, prevent new and repeat dumps and build tribal capacity to operate sustainable tribal integrated waste programs. The Tribes can use Indian General Assistance Program (IGAP) funds to design solid waste management programs and to implement some solid waste activities on their own lands. The agency-wide plan is expected to be completed April 2012.

At this time, OSWER does not believe that any of the issues described rises to the level of a material or Agency weakness. We will continue to monitor the issues and report as appropriate.

NEW OR EMERGING ISSUES

OSWER does not have any new or emerging issues to report.

ACCOMPLISHMENTS AND BEST MANAGEMENT PRACTICES

Recovery Act

In FY 2011, OUST consolidated into one document, all *Lessons Learned Memoranda* issued since the inception of the Recovery Act, for the regions and states. The *Lessons Learned Memoranda* is a valuable tool for Recovery Act recipients and provides links to frequently asked questions; reference guidance for data entry for assistance agreements; reference guidance for data entry for contracts; and OMB's December 18, 2009 guidance on reporting job creation estimates.

Superfund Special Accounts

The FY 2010 programmatic review of Superfund Special Accounts found that all planned actions were not completed in the fiscal year they were originally planned, and more than a quarter of reclassifications, transfers to the Trust Fund, and account closures planned to occur in FY 2010 were moved to FY 2011 or a later fiscal year to be completed. OSRTI's review supported recommending to the Special Accounts Senior Management Committee a threshold of \$200K to require Headquarters notification via a formal memorandum for reclassifications and transfers to the Trust Fund. The Special Accounts Senior Management Committee approved this change, and notifications may now be made by email to Headquarters staff for actions less than \$200K. OSRTI and OSRE will review a sample of accounts with email notifications each fiscal year to ensure appropriate compliance with guidance. It is anticipated that this will streamline these processes by reducing the number of notification memos Regions are required to develop, while still providing Headquarters the ability to ensure appropriate application of guidance for funds identified for reclassification and transfer. OSRTI will continue to monitor completion of planned actions with the institution of these changes in FY 2011.

Budget Review

At the beginning of FY 2011, ORCR instituted a "Quarterly Budget Review" process. This process consists of quarterly meetings with the ORCR Office Director and Deputy Office Director to review Operating Plan spending for each quarter. During these meetings each ORCR Division will review the use of expiring funds and New Obligational Authority (NOA) funds on contract and grants. Open commitments, unliquidated obligations, invoiced amounts, burn rates and percent of funds utilized are discussed. Division Directors are expected to address any issues with underutilized funds before the next quarterly review. These reviews also give the senior management an opportunity to shift funds to emerging priorities or address unexpected funding issues that arise due to court orders or congressional action. Expiring funds are closely monitored to avoid any lapse of those funds.

Mandatory Procurement Training

In an effort to reduce unauthorized commitments and ratifications, OEM and the Office of Acquisition Management (OAM) provided mandatory procurement training for all OEM staff. This training has been negotiated to be a corrective action, necessary to prevent reoccurrence of any unauthorized

commitments, in response to ratifications. As of July 15, 2011, over 84% of OEM employees have completed the training. A final training session is scheduled for the beginning of August.

CLOSING

OSWER has heightened awareness throughout the organization regarding the need for management controls over potential waste, fraud, and mismanagement, and we will continue to hold the principles of management integrity in high regard. If you have any questions, please contact Johnsie Webster at (202) 566-1912.

ATTACHMENTS

Control Environment – AL Form 2011-005
Unliquidated Obligations – AL Form 2011-008 (c)
Superfund Site Identifier ZZ Accounts – AL Form 2011-010
Management Challenge and Potential Weaknesses – AL Form 2011-004
Revised Program Review Strategies and Multi-Year Plans

cc: Annette Morant, OCFO
Aileen Atcherson, OCFO
Patrick Gilbride, OIG



Correspondence Management System

Control Number: AX-11-001-3759

Printing Date: August 15, 2011 02:23:16



Citizen Information

Citizen/Originator: Jackson, Malcolm D

Organization: U.S. Environmental Protection Agency
Address: 1200 Pennsylvania Avenue, NW, Washington, DC 20460

Constituent: N/A

Committee: N/A Sub-Committee: N/A

Control Information

Control Number:	AX-11-001-3759	Alternate Number:	N/A
Status:	For Your Information	Closed Date:	N/A
Due Date:	N/A	# of Extensions:	0
Letter Date:	Aug 12, 2011	Received Date:	Aug 15, 2011
Addressee:	AD-Administrator	Addressee Org:	EPA
Contact Type:	MEM (Memo)	Priority Code:	Normal
Signature:	SNR-Signature Not Required	Signature Date:	N/A
File Code:	401_127_a General Correspondence Files Record copy		
Subject:	Daily Reading File 2011 Federal Managers' Financial Integrity Act Assurance FMFIA Letter		
Instructions:	For Your Information -- No action required		
Instruction Note:	N/A		
General Notes:	N/A		
CC:	N/A		

Lead Information

Lead Author: N/A

Lead Assignments:

Assigner	Office	Assignee	Assigned Date	Due Date	Complete Date
No Record Found.					

Supporting Information

Supporting Author: N/A

Supporting Assignments:

Assigner	Office	Assignee	Assigned Date
(b) (6) Personal Privacy	OEX	OCFO	Aug 15, 2011

History

Action By	Office	Action	Date
(b) (6) Personal Privacy	OEX	Forward control to OCFO	Aug 15, 2011

Comments



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

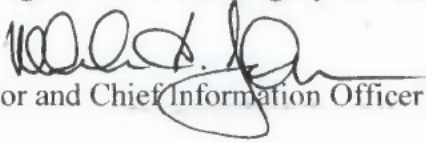
WASHINGTON, D.C. 20460

AUG 12 2011

OFFICE OF ENVIRONMENTAL INFORMATION

MEMORANDUM

SUBJECT: FY 2011 Federal Managers' Financial Integrity Act Assurance Letter

FROM: Malcolm D. Jackson 
Assistant Administrator and Chief Information Officer

TO: Lisa P. Jackson
Administrator

2011 AUG 15 PM 12:44
OFFICE OF THE EXECUTIVE SECRETARIAT
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PURPOSE

In accordance with the *Federal Managers' Financial Integrity Act* (FMFIA) and Agency guidance, I am submitting the FY 2011 annual assurance letter attesting to the soundness of internal controls for the Office of Environmental Information (OEI).

STATEMENT OF ASSURANCE

Under my leadership, OEI assessed the effectiveness of its internal controls based on the five standards for internal control established by the Government Accountability Office (GAO). In my judgment, OEI complies with Federal Managers' Financial Integrity Act requirements, and the internal controls within OEI are adequate to reasonably ensure the protection of the programs, operations, functions, and resources for which I am responsible against fraud, waste, abuse, and mismanagement.

CERTIFICATION OF MANAGEMENT INTEGRITY TRAINING

All appropriate OEI staff (Senior Executive Service employees, GS-15 managers and supervisors, and Management Integrity Advisors) have completed the Agency's on-line Management Integrity Training on Internal Controls.

FRAMEWORK FOR ASSESSING INTERNAL CONTROLS

Framework

The OEI framework for assessing internal controls consists of three major activities:

- Annual assessment of OEI's "control environment,"
- Annual update to the "program review strategies" for OEI's major program areas, and
- Ongoing implementation of the Multiyear Program Review Plan which schedules internal control reviews of quality and management integrity activities.

Taken together, the results of these three activities form the basis for my annual statement of assurance. The following summarizes these activities and highlights OEI risk identification processes.

Annual Control Environment Review

OEI annually assesses its internal control structure for Control Environment. The results of that review are presented in Attachment A which includes a discussion of the discipline and structure, as well as the climates which influence the overall quality of internal controls. The discussion addresses the following seven areas:

- Integrity and ethical values
- Commitment to competence
- Management's philosophy and operating style
- Organizational structure
- Assignment of authority and responsibility
- Human resource policies and practices
- Oversight groups

Program Review Strategy Update

OEI managers validated the OEI Program Review Strategy that was developed last year; there are no changes in the strategy for FY 2011.

Program Review Approach

OEI finalized the OEI Multiyear Program Review Plan on December 31, 2011. The plan is published on OEI's intranet site at http://intranet.epa.gov/oei/pdf/oei_multiyear.pdf. In accordance with the plan, OEI is completing the scheduled FY 2011 program reviews. For each program, OEI reviews implementation of internal controls for quality and management integrity, identifies areas of concerns or deficiencies, and implements corrective actions as needed.

Risk Identification

OEI employs many different means to work with internal and external partners to identify risk and, as appropriate, uses the National Program Manager (NPM) guidance and Lead Region processes. The manner in which OEI identifies risks depends on the type of programs that are being implemented. The OEI Program Review Strategy provides internal controls for risk and communication for eight major program categories. The following describes how OEI works with external and internal partners, NPM Guidance, and the Lead Region to identify risk.

Chief Information Officer Programs - Agency activities governed by Chief Information Officer (CIO) policies and procedures (e.g., records management, privacy, technology standards, Freedom of Information Act) provide critical infrastructure for Agency Offices and Regions to transform and improve operations as well as comply with Federal requirements. Common risks for CIO programs include: poorly defined goals, objectives, or performance measures; lack of reliable data or information; lack of proper quality assurance and quality control procedures; changes in funding levels; turnover and loss of institutional knowledge; industry non-compliance; and changing public expectations. OEI has several different methodologies for assessing and managing risk with internal and external partners and for incorporating Lead Region and national program interests for the CIO programs.

The Quality and Information Council (QIC) provides the formal framework for OEI's internal partners and the Lead Region to discuss risk and appropriate internal controls. Those internal controls ensure management integrity for information systems which are components of every major National Program. The internal controls are incorporated into the CIO policies, procedures, standards, and guidance. The QIC is supported by the following committees established to address topical issues: the Quality Technology Subcommittee (QTS), the Information Investment Subcommittee (IIS), and the Enterprise Architecture Working Group (EAWG).

Stakeholder groups provide a mechanism for many CIO programs to interact with their internal and external partners and address issues and needs. The following groups routinely identify and discuss risks and advise OEI on how to strengthen internal controls:

- **Topical Agency councils** - define and review goals, objectives, and performance measures for specific topical areas and specific projects. For example, the EPA Web Council participates in OEI's process for vetting web policies and for developing and vetting EPA-wide Content Management System requirements.
- **Working networks** - identify implementation risks in new programs. For example, the EPA Library Network was instrumental in developing a strategic plan for EPA's libraries that addresses potential risks. The EAWG is a resource for addressing architecture associated risks.
- **Agency management bodies** - provide an opportunity to participate in a series of communications with internal stakeholders including national programs and the Regions. OEI's Senior Leadership Team (SLT) participates in monthly calls with the Assistant

Regional Administrators as well as more in-depth three-day video conferences up to three times per year. OEI has a similar series of meetings during the year with the Information Resource Management Branch Chiefs.

- **The OEI Regional Liaison** - works directly with the Lead Region representative to identify and manage any regional information issues.

Agency Quality Program - OEI develops and oversees implementation of agency-wide quality policies, procedures, standards, and guidance through the Agency's Quality Program. The EPA Quality Policy provides the framework for Agency Offices and Regions to establish controls to ensure the quality of information being disseminated to the public. Internal stakeholders, including national programs and the Lead Region, discuss quality issues at the QIC meetings and provide input into the development of new quality policies and procedures. OEI's Quality Staff also holds monthly meetings with quality representatives from national program offices and regions to discuss quality issues, including risks. Because the quality program provides the controls for many science and engineering technical functions; strengthening the policies and procedures remains an important priority.

Administrative Programs - As with all Agency Offices and Regions, OEI is responsible for implementing Agency administrative programs. The procedures and guidance issued by Agency offices (e.g., Office of Administration and Resources Management and Office of the Chief Financial Officer) provide a framework for required tasks and establish mechanisms for communications to discuss potential risks. The major risks in the administrative area are:

- Agency programs are not effectively and efficiently implemented within OEI and
- Agency programs do not comply with applicable laws and regulations.

OEI managers routinely discuss concerns associated with implementing administrative programs during management meetings and program planning and status meetings. Risks identified are typically addressed through establishing procedures and additional controls. OEI also works with other Agency administrative offices to address concerns. For example, this year the Office of the Chief Financial Officer (OCFO) worked to strengthen audit follow-up as well as management integrity processes. OEI participated in the discussions and implemented the new procedures developed and recommended by OCFO.

Additional programs and risk considerations - Additional examples of how OEI identifies risk are provided below:

- **OEI TRI Technology Program** - OEI manages the Toxics Release Inventory (TRI) Program which provides information to the public and services to EPA clients. The EPA TRI Senior Steering Council provides input and guidance to the TRI Program on its strategic direction and program risks.
- **Grants Post Award Monitoring Plan** - OEI provides monitoring and oversight functions for its grants programs in Headquarters and Regions. The Grants Post Award Monitoring Plan (GPAMP) process from the Office of Grants and Debarment (OGD) is used for

conducting annual reviews of select grants within the program. These reviews cover process findings, state action plans for corrective measures, and recommendations for improvement. OEI conducts baseline monitoring of grant recipients for compliance to scope of work, adherence to terms and conditions, and regulatory requirements. OEI further works with Regions on advanced monitoring processes for in-depth assessments of a grant recipient's programmatic and technical progress.

- **Grants Management Self Assessment** - The other process practiced for monitoring and oversight of grants in OEI is the Grants Management Self Assessment (GMSA) which is conducted every three years. The GMSA assesses the status and evaluates the effectiveness of an office's grant operations and: identifies key issues, such as weaknesses in the grants operation; determines any corrective action plans; identifies effective grants management practices; and determines if effective management controls for grants managers and monitors are in place. Both processes (the GPAMP and the GMSA) are based on EPA Order 5700.6 A2 CHG2, "Policy on Compliance, Review and Monitoring." OEI developed Standard Operating Procedures (SOPs) for both processes. The SOPs are a supplement to these Agency processes, to enable adherence to the practices and to avoid potential risks.
- **eRulemaking Program** - OEI manages the eRulemaking program on behalf of the Federal government. To address the wide scope of this program, a Federal-wide board was established to review every facet of the eRulemaking business and processes including risk identification.
- **Working Capital Fund** - Working Capital Fund (WCF) Financial Operations and results are subjected annually to two external audits conducted by the OCFO and a commercial accounting firm for compliance with Federal laws and generally accepted government accounting standards. All personal use assets are tagged, inventoried, and invoiced using an automated workload, billing, asset accountability, and invoicing system called eBusiness. This system interfaces with the EPA's Integrated Financial Management System (IFMS) to ensure that the systems remain in balance. In addition, the eBusiness system contains significant self-regulation and checking sub-routines to ensure data accuracy. The WCF Board meets quarterly to set direction for the program and identify strategies and risks.

RESULTS OF INTERNAL CONTROL REVIEWS

Over Program Operations

OEI's program reviews leverage the products and services structure already outlined in OEI's Quality System. This structure includes eight key program areas:

- **National Program Leadership and Management** - national programs that are the responsibility of the OEI AA (e.g., Records Management, Quality)

- **Administration of Agency and Federal Programs** - programs owned by other Agency Offices or OMB that OEI implements in accordance with their requirements (e.g., Audit Follow-up, Integrity)
- **Publications** - documents, reports, and other information that is publicly disseminated by OEI (e.g., Report on the Environment)
- **Science and Data Analysis** - activities that require application of the scientific method or the application of science principles (e.g., Chemical Hazard Assessments)
- **Data and Information Systems** - activities that encompass software development and data management as the primary functions (e.g., Envirofacts)
- **Shared Data Services** - activities to provide data service support to OEI customers (e.g., Integrated Error Correction System)
- **Shared Information Technology (IT) Services** - activities to provide IT service support to OEI customers (e.g., Exchange Network)
- **Technical and Security Infrastructure** - activities to provide infrastructure support to OEI customers (e.g., Anytime Anyplace Access)

Each program area includes products and services with similar features and, therefore, requires similar planning, implementation, and review processes. Risk types and monitoring activities are also similar for all products and services in a key program area. OEI's Program Review Strategies can be found on the OEI Website:

<http://intranet.epa.gov/oei/projectsservices.htm>.

OEI planned 12 program reviews for FY 2011. Two reviews are completed, and OEI is developing reports for four reviews. The remaining six reviews are scheduled for completion in FY 2011. Each program review addresses internal control criteria for both quality and management integrity. No internal control deficiencies were identified for the two reviews completed so far in FY 2011.

Over Recovery Act Operations

OEI received no allocation of funds from the American Recovery and Reinvestment Act of 2009 (ARRA) in FY 2011, and performed no internal control review as a result. OEI does manage an interagency agreement with the Recovery Accountability and Transparency Board, under which EPA performs services for the Board.

Over Financial Activities (OMB Circular A-123, Appendix A)

Review of security controls over financial IT activities - OEI conducted the FY 2011 annual evaluation of key security controls over IT activities which leveraged the annual evaluations of security controls reviewed as part of FISMA. The IT controls identified were based on the following Federal security standards.

- Federal Information Processing Standard (FIPS) 200
 - Federal security standards are defined in FIPS 200, “Minimum Security Requirements for Federal Information and Information Systems.” All Federal agencies must meet these standards.
 - FIPS 200 specifies minimum security requirements for information and information systems supporting Federal agencies and a risk-based process for selecting the security controls necessary to satisfy the minimum security requirements.
 - This standard promotes secure information systems within the Federal Government by establishing minimum levels of due diligence for information security and facilitating a more consistent, comparable, and repeatable approach for selecting and specifying security controls for information systems that meet minimum security requirements.
- National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53
 - FIPS 200 standards are further detailed in the NIST SP 800-53, “Recommended Security Controls for Federal Information Systems.”
 - NIST SP 800-53 provides guidelines for selecting and specifying security controls for information systems supporting Federal agencies. Federal managers must implement in their IT systems the 173 security controls identified in NIST SP 800-53.
 - The security controls cover the following topic areas better known as control families:
 - Access control
 - Awareness and training
 - Audit and accountability
 - Security assessment and authorization
 - Configuration management
 - Contingency planning
 - Identification and authentication
 - Incident response
 - Maintenance
 - Media protection
 - Physical and environmental protection
 - Planning
 - Personnel security
 - Risk assessment

- System and services acquisition
- System and communications protection
- System and information integrity
- Program management

Of the control families, OEI tested a subset to meet the A-123 Attachment B requirements. Selection of the controls was based on:

- Controls selected for review in prior years.
- Controls that are volatile or subject to change in a normal operational environment.
- Controls specifically highlighted in the Federal Information Systems Controls Audit Manual (FISCAM). FISCAM was developed by the GAO and describes the computer-related controls that should be considered when assessing the integrity, confidentiality, and availability of computerized data. According to FISCAM, both general and application controls must be effective to help ensure the reliability, appropriate confidentiality, and availability of critical automated information.

OEI audited 26 systems in FY 2011.

- Eight General Support Systems (GSS) were audited:
 - Office of Administration and Resource Management (OARM) Local Area Network (LAN) - Office of Acquisition Management (OARMLAN-OAM)
 - OARM LAN - Research Triangle Park (OARMLAN-RTP)
 - OARM LAN - Cincinnati (OARMLAN-CINC)
 - OCFO LAN Annual Planning and Budget Division - Las Vegas (OCFOLAN-LV)
 - Enterprise Server (ES)
 - National Notes and Mail
 - Shared Services
 - Central Unix NT (CENTRALUNIX-NT)
- Eighteen Major Applications (MA) were audited:
 - Budget Automation System (BAS)
 - Integrated Financial Management System (IFMS)
 - People Plus (PPL)
 - OCFO Business and Intelligence Reporting Tool (ORBIT)
 - Financial Data Warehouse (FDW)
 - Administrative Datamart (ADAM)
 - Superfund Cost Recovery Imaging and On-Line System (SCORPIOS)
 - Grant Payment Allocation System (GPAS)
 - Inter-Agency Document Online Tracking System (IDOTS)
 - Billing & Reimbursable Accounting Information Network System (BRAINS)
 - Relocation Expense Management System (MLINQS)
 - Contractor Payment System (CPS)

- Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS)
- Integrated Grants Management Systems (IGMS)
- Integrated Resources Management System (OEI-IRMS)
- Electronic Capital Planning and Investment Control (eCPIC)
- Integrated Contracts Management System (ICMS)
- eBusiness

One hundred eight controls were reviewed for a thorough, holistic view of the systems. Sixteen generic types of artifacts (e.g., documents that prove a control is in place) were reviewed for each system. Some examples include:

- System Security Plan (SSP) - Certification & Accreditation
- Configuration Management Tool Report
- Contingency Plan
- Request Forms

A detailed report of the review is provided in Attachment B, “FY 2011 Internal Controls Over Financial Activities (OMB Circular A-123).”

OCFO A-123 Property Pilot Recommendation - OCFO’s FY 2011 management integrity process included an A-123 review of agency property processes using a “cradle-to-grave” approach. As a result of the assessment, OEI was asked to respond to the following recommendation:

OCFO Recommendation: We recommend that management consider automating the reconciliation of the Registry of EPA Applications and Database (READ) system and IFMS. If that is not possible, we recommend that management enhance the READ system and/or Integrated Financial Management System (IFMS) to share a common data element to eliminate an extra crosswalk process and improve reliability and efficiency of the reconciliation.

OEI Response: As the Agency implements the new Compass financial system in FY 2012, OCFO will collaborate with OEI and OARM to analyze Compass capabilities to determine what efficiencies/improvements can be achieved using this system.

Review of Unliquidated Obligations - OEI manages its Unliquidated Obligations (ULOs) by engaging its line offices in the review and certification of all inactive travel and miscellaneous obligations. Each obligation for which there was no activity for six months or more (or in the case of travel, three months or more) is deobligated unless there is a documented purpose and justification for the obligation to remain open during the period of inactivity. When unliquidated balances are found, the line offices take necessary corrective action to deobligate funds within prescribed timelines. To assist the line offices in their review and certification, they review quarterly reports from the Financial Data Warehouse (FDW) to determine the validity of obligated balances. This review is an ongoing process throughout the year, which supports the

effort to reduce the number of inactive obligations reported by the annual review performed by OCFO.

The OPRO Quality Manager, who is not involved in the annual ULO reviews, conducted the FY 2011 A-123 review. OEI provided the Staffing Plan for the review, Attachment C, to OCFO in February 2011. To conduct this review, OEI developed a test plan consistent with the Agency's guidance. This test plan required identification of internal controls, identification and assessment of risk, a methodology to evaluate controls, and, if applicable, processes to identify and remediate any deficiencies identified.

The OPRO Quality Manager:

- Evaluated the narrative and flowcharts in the OEI Obligations Procedure;
- Developed an Internal Control Matrix and detailed checklist for all 11 identified internal controls;
- Conducted interviews and reviewed files in all OEI Offices;
- Evaluated the controls, documentation and implementation of the controls, and the effectiveness of the controls.

One deficiency was noted during the ULO review. The reviewers observed that while all records in the ULOCert Tool were reviewed, OEI's internal controls did not adequately assure that proper documentation is transmitted to the finance center and appropriate administrative organization in a timely manner. OEI will implement and verify corrective actions before the end of FY 2011. Documentation of completion of the ULO review and certification processes is provided in Attachment D.

CURRENT WEAKNESSES

OEI is responsible for addressing the following weaknesses:

- **Agency-level weakness:** Electronic Content Management for EPA
- **Office-level weakness:** Privacy Program

See Attachments E and F for a discussion of the current status of these weaknesses.

MANAGEMENT CHALLENGES AND POTENTIAL WEAKNESSES IDENTIFIED BY OIG

The following summarizes new or emerging issues identified by the OIG, as well as OEI's response to those issues.

- **OIG-Recommended Management Challenge - Limited Capability to Respond to Cyber Security Attacks:** According to OIG, EPA has limited capacity to effectively respond to external and internal network threats. This challenge is carried over from the 2010 OIG-

recommended management challenge with the same name. In this challenge, OIG highlighted concerns with the automated tools EPA procured and implemented to address cyber security threats. OIG also identified weaknesses in IT asset identification and vulnerability management.

OEI Response: OEI does agree with OIG's characterization of the cyber security management challenge. OEI agrees with the OIG that Advanced Persistent Threats (APT) pose a significant challenge for all Federal Agencies. OEI continues to make significant progress in enhancing situational awareness across the Agency and increasing visibility into network activities. Attachment G provides greater detail into the steps OEI is taking in characterizing and addressing threats to the Agency's information and information systems.

• **OIG-Recommended Office-Level Weakness - Information Technology Systems**

Development and Implementation: EPA's planned investments in information technology totaled \$465.1 million in FY 2011. According to OIG, EPA's CIO took steps to define the Agency's overall approach for governing system development activities. However, OIG claims their audits over the past 3 years highlight that EPA made little progress to close the gap between how IT projects receive funding and how senior officials conduct reviews of system development compliance from a portfolio management perspective. OIG stated that the current process, which relies heavily on program office management and the Agency's IT capital investment management planning processes for oversight, does not provide the necessary attention to system development and implementation activities to address these shortcomings. OIG recommends the CIO:

- Revise EPA's current system life cycle policies and procedures so that they use directive language that clearly establishes the minimum requirements to be applied to each system development life cycle model that the Agency permits,
- Establish centralized management oversight by the CIO to verify and enforce compliance at key points throughout the entire system life cycle process and prior to implementation of significant changes to systems, and
- Integrate system development oversight into the Agency's IT capital planning processes.

OEI Response: While OEI agrees IT systems development and implementation supports the entire Agency and benefits from continuous attention and improvement, OEI does not agree that it is an area of weakness. OEI continues to believe the existing strong foundation of IT project development, implementation, and review at EPA is the most appropriate way to provide rigorous executive emphasis and oversight for the Agency's IT systems. That approach is grounded on the delegated responsibilities of senior managers in the organizations that own IT projects. The strong status of the Agency's IT investments is demonstration to OMB through such mechanisms as EPA's Exhibit 300s and the Federal IT Dashboard. Over the last several years, OEI greatly expanded and refined the Agency's IT project governance process and tools to ensure a robust framework is in place to oversee development, implementation, and management of EPA's IT systems. Attachment H provides greater detail into the components that OEI put in place for a strong investment management program, as well as enhancements OEI is pursuing in its efforts to continually improve the development, implementation, and management of EPA's IT systems.

ACCOMPLISHMENTS AND BEST MANAGEMENT PRACTICES

The following summarizes OEI's accomplishments and best management practices during FY 2011.

- **Quarterly Business Reviews** – OEI established a Quarterly Business Review (QBR) process in FY 2011 to provide additional internal controls for the success of financial activities and priority programs. QBR meetings provide leadership with regular opportunity throughout the year to:
 - Report on and assess results OEI is achieving in implementing priorities of the Administrator and CIO, and Agency strategic goals and cross-cutting fundamental strategies; and
 - Make periodic adjustments or “course corrections” to respond to new requirements, unexpected changes in direction, or lack of expected results.

The QBR provides leadership with a roadmap of where OEI is and where OEI is going. During the QBR meetings, the OEI SLT critically reviews financial activity status such as quarterly funding requirements, utilization of travel funds, key quarterly financial deliverables, payroll and spending plans, acquisition plans, remaining expiring funds, Compass software system implementation schedule, property management, and ULOs. The SLT identifies challenges to meeting financial expectations and the significance of the challenges. The SLT establishes corrective and follow-up actions, and, if necessary, adjusts resource allocations to support those actions.

Likewise, the SLT reviews OEI priority programs during the QBR meetings including, for example, talent management action plan implementation, workforce planning, the Agency quality program, and OEI activities supporting the Agency's Minority Academic Institutions (MAIs) program. Each OEI Office reports progress in implementing priority programs and the SLT considers potential program improvements. Challenges are identified and discussed and the SLT reviews the need for added internal controls and follow-up actions.

At the conclusion of the QBR meetings, follow-up action items are recorded and shared with all line offices. The action items identify a lead and a timeframe for completion of the follow-up action. The status of follow-up action times is reviewed at the next QBR meeting.

- **Management Reporting Improvement** – OEI established a Monthly Management Report (MMR) process in FY 2011 providing OEI leadership with a new control to track and report program progress. Each line office provides a monthly report of status of the line office's priority projects. These reports are shared with other line offices, giving them critical information on the status of OEI infrastructure. For example, monthly reporting for Audit Follow-up summarizes the status of each OEI OIG and GAO audit include upcoming milestones. Monthly status is provided for expenditures, historic funds utilization, active

workforce recruitments, property management, controlled correspondence, and OEI's quality program.

Line offices share progress in implementing OEI's information and technical services including: WCF, TRI Data Exchange, the Library Network, eBusiness, grants management, and eRulemaking. For each priority subject area, line offices provide detailed status of milestone completion and planned activities. Office Directors meet with the OEI AA to review the monthly reports and address concerns.

- **TRI-MEweb application improvement** - To increase reporting compliance, OEI increased availability and user-friendliness of the TRI-MEweb application, EPA's Web-based tool for electronic reporting of toxic chemical releases under the TRI Program. The system improvements, software enhancements, and hardware upgrades contributed to a very positive performance during the peak 2010 TRI reporting period. Approximately 99% of TRI facilities used the application to meet the July 1st reporting deadline. OEI also released a new reference tool, the TRI Threshold Screening Tool, to help facilities determine whether they are required to report TRI data to EPA under Section 313 of the Emergency Planning and Community Right-to-Know Act (EPCRA). This new screening tool replaced a voice-accompanied module that did not allow users to enter their own data, provides an interactive environment that guides facilities through the calculations for industry sector, employee and chemical thresholds.
- **TRI Data Exchange (TDX) download** - On April 1, 2011, TDX (previously known as the State Data Exchange) began offering States and Territories an alternative participation method rather than relying only on traditional node-to-node data transfers. The new "download method" simplifies the process for States to automatically receive TRI data from facilities within their boundaries. Early feedback from states regarding the new download method is very positive, and several new states are currently preparing to join TDX.
- **Enhancing Employee Access to Information** - OEI is leading an agency effort to improve EPA's Intranet and enhance employee access to information. OEI conducted a survey to collect feedback on how EPA staff use the Intranet and what they want on their Intranet. Information from the more than 1,400 responses is being used to improve EPA@Work and the Intranet in general. OEI is also implementing the Google Search Appliance on the agency's Intranet to improve internal search capabilities.
- **The EPA National Library Strategic Plan FY 2012-2014** - The Library Plan was provided in response to a September 2010 GAO report. The plan provides a roadmap for strengthening EPA's Library Network, and was reviewed and endorsed by the Library Network's advisory board from the Library of Congress; Federal Library and Information Center Committee (FLICC). Over the next two years, OEI will implement the goals and actions laid out in the plan http://www.epa.gov/libraries/strategic_plan.html.
- **Web Metrics Report** - The OEI Web Analytics Program began distributing a Web Metrics Report to each Program and Regional Office. This report provides traffic metrics and quality assurance metrics including a percentage of pages updated in last six months, a link integrity

score that reflects "broken links," and the percentages of pages with metadata errors. Functioning links and accurate metadata are critical to helping people access environmental information and enhancing their overall experience on epa.gov. Most recently, information from the OEI Web Analytics Program was used to monitor and respond to epa.gov visitors' requests for information about radiation and related topics, in support of EPA's response to the Japanese Nuclear Emergency.

- **Web Content Management System** - To maximize limited OEI and Agency resources, OEI will be implementing a Content Management System (Web CMS) for the Intranet that is the same used for the Internet. Web CMS provides website authoring, collaboration, and administration tools designed to allow users with little knowledge of programming or markup languages to create and manage website content with relative ease. It also provides the capabilities for automated templates, controlled access, and workflow management in addition to other tools that will allow EPA to effectively and efficiently manage the Intranet.
- **Central Data Exchange (CDX) Business Practices** - OEI began use of Information Technology Service Management (ITSM) technology and techniques for improving the CDX business practices. ITSM, a discipline for managing information technology systems, focuses on the customer's business perspective. ITSM provides a framework to structure IT-related activities and interactions with customers and users in order to improve customer service. Where appropriate, the CDX Team will adopt well-known and highly regarded IT Infrastructure Library (ITIL) best practices for implementing ITSM.
- **EPA Docket Center** - The EPA Docket Center implemented internal controls to ensure the integrity of the docket throughout the process, including the creation, population, and publishing of the docket in the eRulemaking Initiative's Federal Docket Management System (FDMS). For example, the EPA Docket Center provides access to dockets under development in the FDMS (prior to the docket being made publicly available on Regulations.gov) only to those employees authorized to view the information. Contractors can gain access to a docket in FDMS with the written consent of their Contracting Officers Representative. Training, education, and information sharing on use of the docket occur through many forums, including quarterly Action Development Process Training and monthly trainings for the FDMS user community. Procedures for creating dockets as well as metadata standards and guidelines to which dockets must adhere are also in place. There are extensive instructional materials available on EPA's Intranet website.
- **Talent Management Strategy for Fiscal Years 2011 and Beyond** - OEI established the Talent Management Strategy to serve as a roadmap for OEI to invest in people, strengthen OEI's leadership capacity, and foster an organizational culture that attracts, develops, and retains a high performing, resourceful, and agile workforce by producing meaningful training programs and providing home and work life balance throughout OEI. This strategy produced an Action Plan which challenges OEI to look at hiring practices and how staff are retained and rewarded.
- **OEI Workforce Planning** - The Office of Human Resources, prompted by an OIG report "EPA Needs to Strengthen Internal Controls for Determining Workforce Levels" tasked each

office with planning and ensuring their workforce is positioned with the skills and competencies to meet strategic goals and priorities. OEI took the initiative to start this process by looking at the current Mission Critical Occupations (MCOs) in preparation of determining MCOs for the next four years. OEI is considering attrition, including anticipated retirements. OEI's report will include anticipated shifts in MCOs.

- **Management Directive 715 Plan** - OEI developed a plan addressing OEI's relevant Equal Employment Opportunity (EEO) and Human Resources (HR) initiatives for 2011 in accordance with the guidance issued for Management Directive (MD) 715 plans. The plan provides a structure and milestone controls including a roadmap for addressing affirmative employment and diversity within OEI. Strong support and alignment with OEI's Talent Management Strategy - *Invest in Our People, Excel in Our Work, Fiscal Years 2011 and Beyond* and the accompanying FY 2011/2012 Talent Management Action Plan provide additional controls. These documents lay the foundation for OEI's workforce initiatives.
- **OEI Continuity of Operations (COOP) Plan** - OPRO trained the COOP Emergency Relocation Group members on the notification process, COOP deployment procedures, leadership transfer processes, and reconstituting EPA in the event of a catastrophic emergency impacting the Washington, DC area. OPRO provisioned the COOP Emergency Relocation Group members with EPA identification badges annotating Federal Emergency Response Official status.
- **Property Management** - Internal controls now assure Custodial Officers access property and identify surplus property through the correct channels. OEI participated in a "desk-to-desk" property inventory and accounted for many equipment items that had previously appeared on the shortages listing. OEI worked with OARM to refine property management processes to more efficiently use personnel resources to conduct required property management functions. OEI now has a dedicated property team that focuses on tagging and inventorying the excess of all OEI National Computer Center (NCC) property. Initially, this was a distributed function assigned as a collateral duty and as such, often led to less than 100% accountability. Since the property team's inception, there have been no discrepancies in the annual reconciliation of OEI NCC property.
- **Audit Follow-up Management** - OEI provided additional reporting in the Quarterly Business Reviews (QBRs) and Monthly Management Reviews (MMRs). The OEI SLT increased emphasis on the need to meet corrective action milestones and to resolve item's identified in OIG and GAO recommendations. OEI created a tracking and reporting system which contains all active audit data. Managers receive regular reports on open actions and reports are reviewed in OTOP manager meetings. This provides managers with a better understanding of the resources needed to ensure the proper resolution and implementation of audit recommendations. In addition, OEI is creating an audit handbook to outline the process for audit actions such as extension requests. The handbook provides clarity on responsibilities and process in order to improve the efficiency of completing administrative actions associated with audits.

- **OEI Electronic Quality Management Plan (eQMP) 2011-2016** - OEI completed development of the eQMP covering the next five year period. This plan builds on earlier quality plans and provides more controls and guidance based on the eight major categories of OEI products. The eQMP review processes align with the OEI Multiyear Program Review Plan which addresses internal controls for both quality and management integrity. The eQMP implements the new CIO Agency Quality Policy and identifies all OEI products that are subject to quality controls.
- **OEI Re-Delegations of Authority Manual** - OEI updated and revised all OEI re-delegations and completed publication of the new OEI Re-Delegations of Authority Manual.
- **STAR, T3, and Change Management** - OEI continued work on two support applications: Service Tracking and Reporting (STAR) and Task Tracking Tool (T3). The STAR application provides a dashboard approach to IT operations and contract management. This application allows managers at all levels to review critical IT performance and support information to ensure that critical systems are available to EPA IT customers. In addition, it assists in identifying potential system problems before they occur. T3 provides central control and archival support of vendor deliverables, reporting requirements, technical direction, and operational analysis for an overall contract. The T3 application is a task assignment system that tracks all contract-related technical direction, task assignment information, and decisions as well as tracking Other Direct Costs (ODC) to include small purchases and Travel for the Information Technology Solutions-EPA II (ITS-EPA II) multi-vendor contract effort. These two applications could be used on virtually any contract in the Agency to increase the efficient operation of large contracts.
- **Configuration Management** - OEI developed an ITIL-based configuration management process to provide positive control enterprise configuration management. This process includes substantive tracking and approval routines to ensure all critical changes are reviewed, mapped, and approved by the appropriate management level. This process will strengthen OEI's ability to respond to enterprise configuration issues as well as enhance planning efforts for future enterprise expansions.
- **Program Management Information System (PMIS) and an Issue Management System (IMS)** - OEI developed and implemented a PMIS and an IMS to assist with the management oversight for projects, initiatives, operation, and maintenance.
- **Responding to Cyber Security Attacks** - OEI strengthened internal controls for responding to cyber security attacks including:
 - Agency-wide deployment of a Security Information and Event Management (SIEM) tool. This tool enables automated security logging and event correlation. It also automates the collection and presentation of consolidated security logs, allowing system owners to more efficiently conduct their required system log reviews.

- Evaluation of a tool designed to capture Advanced Persistent Threat (APT) indicators across the enterprise. This tool collects data to analyze with the intent of identifying APT threat actors on Agency networks.
- **Mission Investments 6-year Strategic Action Plan and Standard Operating Procedures** - OEI instituted a 6-year Strategic Action Plan for Mission Investments Solution Division (MISD) designed to improve and focus management of its critical functions. OEI is now documenting more than 20 internal administrative processes in an internal control SOP in order to enhance management and stewardship of the office's programs and resources.
- **Overall WCF Performance** - EPA's WCF received an overall clean audit opinion for the sixth straight year from a commercial CPA Firm due in a large part to their outstanding management of WCF financial operations. OEI improved accounting and budget formulation processes, corrected prior year accounting records, and continued development of the eBusiness application. The goal is to provide the most value to customers while achieving a breakeven status at the end of the year. The WCF finished with profits of less than 2% (two percent above breakeven cost and revenue targets) for the sixth straight year.
- **Increased Service, Oversight, and Efficiency** - The new ITS-EPA II contract vehicle for WCF changed the primary single vendor service provisioning contractor to a multi-vendor contractor approach. It also increased Federal oversight with multiple contracting officer representatives overseeing the work of six separate vendors. The new contract increased the level of service to EPA customers and decreased overall costs through more efficient operations. The new contract decreased the overall cost of WCF services to the Agency by \$20M between FY 2010 and FY 2011. In addition, OEI added a contractor to integrate the reporting functions of the six separate vendors.
- **Better WCF Budget Formulation and Price Controls** - OEI continued the overhaul of the WCF budget formulation process during FY 2011. The FY 2011 WCF Budget formulation process continued the sixth year of bottom up reviews of all costs and potential revenues. OEI also continued the established approach of using prior fiscal year performance and planned service changes to develop the FY 2011 WCF service rates. This approach ensured that new FY 2011 customer rates considered adjustments to anticipated customer orders while serving as a benchmark to ensure customers were provided the lowest service prices possible. This resulted in significantly improved accuracy. Using this new approach OEI was able to reduce or hold service rates for 94% of the WCF's 49 offered services while lowering production overhead rates for the sixth straight year; from 10.4% in FY 2005 to 7.5% in FY 2011. These lower prices translated to \$6.1 million in savings to WCF customers in FY 2011.
- **eBusiness Application** - The eBusiness application is an in-house application developed by OEI to address shortfalls in financial processing, accounting internal control, and reporting associated with WCF service provisioning requirements. The application, used daily on average by 2,875 EPA employees, processes all WCF workload, billing and reporting requirements for all EPA customers consuming 65 data processing services across the EPA. OEI, together with eBusiness, processed 6 million WCF service ordering, transferring, and

billing transactions with an accuracy rate of 99.99%. In addition, the application provides a robust suite of 45 customizable reports covering all aspects of WCF operations to all EPA Offices and Regions. This approach to anticipating customer processing, reporting and training requirements established eBusiness as the engine room of EPA's WCF.

- **IT Operations Appraisal** - The CERT Resilience Management Model (RMM), developed by the Software Engineering Institute (SEI) of Carnegie Mellon University, is a capability model for operational resilience management. RMM advocates a process improvement approach that addresses security, business continuity, and IT operations as operational risk activities. OEI contracted with SEI to conduct an RMM appraisal across its IT operations. OEI selected 7 process areas and 7 areas for the scope of the appraisal. That appraisal was completed in 2011. The team reviewed over 700 pieces of evidence, and interviewed more than 40 people. OEI managers are reviewing the recommendations in the final report and will determine a priority list that will be implemented in FY 2011 and FY 2012.
- **Strengthening the Agency Quality Program** - SOPs for the administrative process associated with the EPA Information Quality Guidelines and the Quality Management Plan review process were updated to reflect process improvements. Implementation of the revised SOPs will minimize the risk associated with time delays.
- **CIO Policies and Procedures** - For FY 2011, the CIO issued the following policies and procedures:
 - *EPA National Library Network Policy* - was issued including 12 subsequent procedures to establish uniform National Library Network governance and management. The policy and procedures apply to all EPA Offices and Regions with Network libraries. In the past, the EPA National Library Network functioned as a collection of independent local libraries, catering primarily to the needs of their local EPA staff audiences and walk-in public visitors. Now, EPA will operate its libraries as a fully distributed and coordinated network in order to maximize access to resources, reduce duplication of effort, and improve document access and core information services at all local EPA libraries.
 - *Social Media Policy and Procedures* - established principles for the use of social media (e.g., Facebook, Twitter, Wikipedia) on the Intranet and Internet by EPA employees, contractors, and other personnel acting in an official capacity on behalf of EPA.
 - *Web Measurement and Customization Technologies Procedure ("Cookies")* - included a complete overhaul of the cookies policy at EPA. Previously, persistent cookies of any kind were not allowed without a waiver from the CIO. Now under new OMB guidelines, persistent cookies that do not track personally identifiable information (PII) are allowed. Any EPA office wishing to use persistent cookies with or without PII must coordinate with OIAA in order to ensure that all of the OMB requirements are met. Ultimately this greater freedom to use persistent cookies will improve the ease of using the EPA website and will give EPA better insight into web metrics and analytics.