

ENVIRONMENTAL PROTECTION AGENCY

[FRL-5888-5]

Regulatory Reinvention (XL) Pilot Projects

AGENCY: Environmental Protection Agency (EPA).

ACTION: Publication of proposed Project XL Final Project Agreement (FPA) for Vandenberg Air Force Base and related documents.

SUMMARY: EPA is announcing the publication of the Project XL Final Project Agreement (FPA) for Vandenberg Air Force Base in Santa Barbara County, California. The FPA is a voluntary agreement developed collaboratively by the Department of Defense, Vandenberg Air Force Base, the Santa Barbara Air Pollution Control District, local community members and EPA. Project XL, announced in the **Federal Register** on May 23, 1995 (FRL-5197-9), gives regulated sources the flexibility to develop alternative strategies that will replace or modify specific regulatory requirements on the condition that they produce greater environmental benefits. EPA has set a goal of implementing a total of fifty projects undertaken in full partnership with the states.

FOR FURTHER INFORMATION: To obtain a copy of the Proposed Final Project Agreement or Supporting Documents contact: John Walser (415) 744-1257; US EPA Region IX; Vandenberg Project XL Lead, AIR-3; 75 Hawthorne Street, San Francisco, Ca. These documents are also available via the internet at the following location: "http://www.epa.gov/ProjectXL". To be included on the Vandenberg Project XL mailing list to receive information about future public meetings, XL progress reports, and other mailings from Vandenberg on the XL project, or for questions about the Proposed FPA contact John Walser at (415) 744-1257.

DATES: Comments. All public comments must be received on or before October 8, 1997.

ADDRESSES: Comments. Written comments should be submitted in duplicate to: John Walser; US EPA; Vandenberg Project XL Lead, AIR-3; 75 Hawthorne Street, San Francisco, Ca.

Docket. A docket containing supporting information used in developing this rulemaking, including the draft FPA and supporting materials, is available for public inspection and copying at U.S. EPA, Region IX, AIR-3; 75 Hawthorne Street, San Francisco, Ca., during normal business hours, and

at EPA's Water Docket (Docket name "XL/Envest-Vandenberg AFB"); Mailcode 4101, 401 M Street, SW, Washington, DC 20460. For access to the Water docket materials, call (202) 260-3027.

For information on all other aspects of Project XL contact Christopher Knopes at the following address: Emerging Sectors and Strategies Division; United States Environmental Protection Agency; 3202 Mall; 401 M Street, S.W.; Mail Code 2129; Washington, DC 20460. The telephone number for the Division is (202) 260-5754. The facsimile number is (202) 401-6637. Additional information on Project XL, including documents referenced in this notice, other EPA policy documents related to Project XL, regional XL contacts, application information, and descriptions of existing XL projects and proposals, is available via the internet at "http://www.epa.gov/ProjectXL" and via an automated fax-on-demand menu at (202) 260-8590.

Dated: September 2, 1997.

Christopher Knopes,

Acting Director, Emerging Sectors and Strategies Division.

FINAL PROJECT AGREEMENT

VANDENBERG AIR FORCE BASE

AIR QUALITY PROJECT XL/ENVVEST INITIATIVE

Table of Contents

PREAMBLE

I. OVERVIEW—PURPOSE OF THIS AGREEMENT

II. DESCRIPTION OF THE PROJECT

A. GENERAL PROJECT DESCRIPTION

B. CONFORMITY TO THE

MEMORANDUM OF AGREEMENT

1. *Regulatory Flexibility*
2. *Cost Savings And Paperwork Reduction*
3. *Description Of Stakeholder Involvement*
4. *Environmental Results: Innovation/ Pollution Prevention*
 - a. Background
 - b. Investigation And Application Of Innovative Control Strategies
 - c. Pollution Prevention
 - d. Emission Reductions
5. *Transferability, Feasibility, Monitoring, Reporting, And Evaluation*
 - a. Transferability
 - b. Feasibility
 - c. Monitoring And Reporting
 - d. Evaluation
6. *Worker Safety And Environmental Justice*

III. IMPLEMENTATION OF THE VANDENBERG INITIATIVE

A. VANDENBERG RESPONSIBILITIES;

EMISSION REDUCTIONS

B. DISTRICT RESPONSIBILITIES

1. *Rule Submission To EPA*

2. *Technical Assistance/Plan Review And Submission To EPA*

C. EPA RESPONSIBILITIES

D. EPA APPROVAL OF RULE 1301

IV. ADMINISTRATION OF THE AGREEMENT

A. DURATION AND TERMINATION/

RENEWAL OF AGREEMENT

B. TERMINATION

1. *Parties' Termination Rights*

2. *Termination of Plan*

3. *Stationary Source Redesignation*

4. *Achieved Emission Reductions*

C. FUNDING

D. EVENTS PREVENTING

IMPLEMENTATION OF AGREEMENT

E. DISPUTE RESOLUTION

F. PUBLIC RECORDS AND THE

ADMINISTRATIVE RECORD

G. ENFORCEMENT

H. PERIODIC REVIEW AND EVALUATION ACTIVITIES

I. MEANS OF GIVING NOTICE

J. EFFECTIVE DATE

LIST OF ATTACHMENTS

Preamble

This Final Project Agreement (FPA or "Agreement") is part of President Clinton's Reinventing Environmental Regulation Initiative to test innovative approaches to environmental protection. Under this Agreement, Vandenberg Air Force Base will go beyond what is required by regulation and achieve superior environmental performance at a lower cost. By 30 November, 2002, the Base will reduce its annual emissions of ozone precursors into the air by 10 tons or more. As a result of this initiative, Vandenberg will no longer be a potential major source of air pollution under Title V of the Clean Air Act.

This Agreement states the intention of the United States Environmental Protection Agency ("EPA"), the 30th Space Wing at Vandenberg Air Force Base, California ("Vandenberg"), and the Santa Barbara County Air Pollution Control District ("District") (collectively hereinafter referred to as "the parties") to carry out a pilot project pursuant to the 1995 Memorandum of Agreement between the Department of Defense ("DOD") and EPA on Regulatory Reinvention Projects¹ testing innovative approaches to environmental protection. The program resulting from the MOA is called Project XL/ENVVEST and represents an initiative to develop new approaches for meeting DOD and EPA responsibilities while achieving better overall environmental performance at lower cost than expected under existing regulatory approaches. The ENVVEST program mirrors and supports EPA's regulatory relief efforts under Project XL.

The Vandenberg proposal follows President Clinton's mandate that regulatory reinvention under Project

¹ See Attachment 1, "Memorandum of Agreement between the Department of Defense and the U.S. Environmental Protection Agency on Regulatory Reinvention Pilot Project," November 2, 1995.

XL/ENVVEST put the focus on progress rather than process. Vandenberg proposes a phased emissions reduction program. In the short-term, the focus will be on emission reductions from boilers, furnaces, and process heaters. In the long-term, the focus will be on opportunities for emission reductions from internal combustion engines, solvent and surface coating applications or other suitable sources of ozone precursors.

The District and EPA, in return for the effort by Vandenberg, will allow Vandenberg to use innovative ways to comply with District Rule 370² and the District's Title V Federal Operating Permit Program.

The commitment by Vandenberg to achieve significant and superior environmental benefits, as detailed in this Agreement, will be formally submitted by the District to EPA for approval into the Santa Barbara County portion of the California State Implementation Plan ("SIP"). The District will also oversee the execution of the plan and provide technical assistance.

I. Overview—Purpose of This Agreement

This Agreement is a joint statement of the parties' intentions with regard to the Vandenberg Air Quality Project XL/ENVVEST Initiative. This Agreement is not intended to create legal rights or to be a contract or a regulatory action, such as a permit or rule. While it does not give rise to any rights enforceable in a legal action either to compel performance of the Agreement or for damages, it is intended to clearly state the plans of the parties and to represent the firm commitment of each party to carry out the project.

II. Description of the Project

A. General Project Description

The 30th Space Wing at Vandenberg Air Force Base is located on the central coast of California about 150 miles northwest of Los Angeles. Covering more than 98,000 acres, it is the third largest Air Force installation, and is the only point in the United States from which unmanned government and commercial satellites are launched into polar orbit and from which intercontinental ballistic missiles are launched to verify weapon system performance.

The mission of the 30th Space Wing is to: (1) Conduct and support space and missile launches; (2) operate the Western Test Range; (3) respond to world-wide military contingencies; and (4) host the Vandenberg community. Vandenberg, like other military installations, differs from civilian stationary sources in that the base hosts and supports a unique and wide variety of functions and activities. These activities include residential housing, schools, recreational parks, wildlife reserves, shopping centers, industrial maintenance, airfield operations, and various other mission related activities. As such, base activities create criteria pollutants normally associated with residential, commercial, and light industrial operations. Most of the stationary source ozone precursor emissions at the base are generated by boilers, furnaces, process heaters, and internal combustion engines.

Vandenberg views environmental compliance as integral to its mission and, therefore, directs significant resources to ensure compliance with all environmental laws and regulations. With the advent of regulatory reinvention and the creation of Project XL/ENVVEST, Vandenberg saw the opportunity to test alternative ways of achieving environmental compliance. Vandenberg evaluated its environmental compliance obligations and identified areas where regulatory relief would likely result in greater environmental benefits. As a result of this evaluation, Vandenberg submitted a Project XL/ENVVEST proposal requesting relief from District Regulation XIII, Part 70 Operating Permit Program. Under this proposal, Vandenberg proposed to use resources allocated for environmental compliance purposes to implement pollution prevention activities that would ultimately have a greater environmental benefit than compliance with District Regulation XIII.

Regulation XIII is an EPA approved and federally enforceable stationary source operating permit program, implementing Title V of the Clean Air Act ("Title V") and 40 CFR Part 70 ("Part 70"), Title V supporting regulations. Regulation XIII requires major stationary sources³ to apply for

and obtain a Part 70 operating permit. The objective of such permits is to create a comprehensive document clearly spelling out all of a source's Clean Air Act obligations. While Regulation XIII generally does not impose new substantive requirements on sources, it does enhance environmental compliance with existing requirements.

Under the District Rules in effect in 1996, Vandenberg was a "major stationary source" for purposes of Part 70 and subject to the permitting requirements of Regulation XIII. This classification was based on Vandenberg's potential to emit at least 100 tons per year of oxides of nitrogen ("NO_x"). Actual emissions of NO_x at Vandenberg, however, are approximately 50 tons per year. Vandenberg, in cooperation with the District and Region IX, realized that if actual emissions used to make a Title V applicability determination could be reduced and if the District exercised its regulatory discretion, then the facility would be eligible to comply with District Rule 370, Potential to Emit—Limitations for Part 70 Sources, a rule that exempts a source from Title V if the actual emissions from the source are less than half of the potential to emit threshold for Regulation XIII. A source that complies with Rule 370 by not exceeding actual emissions of 50 tons per year is not subject to Regulation XIII and, therefore, is not required to obtain a Part 70 permit.

The District is currently classified as a "moderate" nonattainment area for the federal one-hour ozone standard. For such areas, a "major stationary source" subject to the permitting requirements of Title V is one whose potential to emit equals or exceeds 100 tons per year of any regulated pollutant. In 1996, however, the District experienced a number of federal ozone standard violations that may require EPA to reclassify the District as a "serious" nonattainment area. If this occurs, the applicable definition of major stationary source for Part 70 purposes under Regulation XIII and Rule 370 will be lowered to 50 tons potential to emit or 25 tons actual emissions of an ozone precursor.

The Parties acknowledge that EPA has adopted new federal standards for ozone and particulate matter. It is unclear how these new standards will affect Santa

² Rule 370 is based on a model Title V prohibitory rule that was developed cooperatively between EPA Region IX and the California Air Resources Board. Pursuant to the applicability section of Rule 370, only sources with actual emissions less than 50% of a major source threshold are eligible for coverage (See Rule 370 at Attachment 2).

³ To be classified as a "major stationary source" in Santa Barbara County, a source must emit, or have the potential to emit, 100 tons per year of any regulated air pollutant or 10 tons per year of any hazardous air pollutant (as defined in section 112 (b) of the Clean Air Act), or 25 tons per year of a combination of any hazardous air pollutants. Ozone nonattainment areas were classified according to the severity of the nonattainment based on the design value of a particular Air Quality Control Region at the time of the passage of the Clean Air Act Amendments of 1990 (Pub. L.

101-549). In the case of the Santa Maria-Santa Barbara-Lompoc area, that area was classified as a "Moderate" nonattainment area for ozone under the provisions of 42 U.S.C.A. section 7511(a) [Clean Air Act § 181(a)]. All moderate areas were required to meet the ozone National Ambient Air Quality Standards by 15 November 1996.

Barbara County's nonattainment status. In light of the above, the parties recognize the likelihood that the applicable thresholds for the District's Regulation XIII and Rule 370 may be lowered to meet the requirements for serious ozone nonattainment areas. Therefore, this Agreement has been structured to allow the Vandenberg Project XL/ENVVEST Initiative to proceed while meeting the new more stringent definition of major stationary source.

Together, Region IX, the District, and Vandenberg identified areas of regulatory flexibility that allow the District to determine that Vandenberg may be classified as a non-major or minor source pursuant to Rule 370.⁴ First, the District amended Rule 1301⁵ to allow Vandenberg to exclude from its Title V major source applicability determination, emissions from tactical support equipment, infrastructure maintenance equipment, and building maintenance equipment that meet the EPA definition of "nonroad engine."

Second, the District will use its discretion to modify Rule 1301 to allow Vandenberg to group certain sources at the base for the purposes of Title V applicability by the methods set forth in the EPA 2 August 1996 policy entitled "Major Source Determinations for Military Installations under the Air Toxics, New Source Review, and Title V Operating Permit Programs of the Clean Air Act" ("Act").

The rule changes are contingent upon Vandenberg obtaining approval of and implementing a plan that achieves a reduction in annual emissions of ozone precursors by at least 10 tons by 30 November 2002. The rule changes and this Agreement will not affect Vandenberg's major stationary source designation for programs other than Title V, (e.g., Prevention of Significant Deterioration/New Source Review (PSD/NSR)).

B. Conformity to the Memorandum of Agreement

The following section addresses criteria for consideration under the DOD/EPA Memorandum of Agreement.

1. Regulatory Flexibility

Information pertaining to conformance with this criterion is contained in the preceding section.

⁴ See Attachment 3, "Interim Agreement On Implementation Of The ENVVEST Title V Initiative.

⁵ See Attachment 4, Santa Barbara County Air Pollution Control District Rule 1301, PART 70 OPERATING PERMITS—GENERAL INFORMATION.

2. Cost Savings and Paperwork Reduction

Vandenberg expects to realize cost savings and paperwork reduction by being able to comply with Rule 370 in lieu of Regulation XIII and complying with the obligations to obtain a Title V permit.

Administrative and enforcement costs incurred by the District, for the development and implementation of this initiative, will be documented and made available to the public. Costs that qualify as "reimbursable costs" under District Rule 210.I.C. will be accounted for separately and will be reimbursed by Vandenberg from DOD ENVVEST funds. In consultation with Vandenberg, the District will establish an operating budget to ensure maximum availability of funds for emission reduction projects.

3. Description of Stakeholder Involvement

The base has consulted with the Vandenberg Community Advisory Board ("CAB"), and the District Community Advisory Council ("CAC") in formulating this Agreement. The mission of the CAB is to promote community awareness and to review the remedial cleanup process at Vandenberg. This mission has now been expanded to address the Vandenberg Project XL/ENVVEST initiative. The CAC provides advice regarding air quality issues to the Air Pollution Control District Board of Directors. Pursuant to guidance from the Board, a subcommittee was created to participate in this initiative. Each body has met twice to receive briefings, discuss the initiative, and provide input.

The parties have and will continue to issue press releases, run informational notices in the newspaper and sponsor public meetings, beginning with the initial meeting in October 1996, and every 6 months after execution of this Agreement, to advise interested members of the public on the progress being made toward meeting the FPA goals. The meetings shall inform the public of the steps taken to reduce pollution, include information on proposed steps to meet the goals of the FPA and solicit comment from the public on the progress made towards meeting the goals of the Agreement, or any other matter relevant to the execution of the Agreement. These meetings will be held in locations in Santa Barbara County that are accessible to the public and at a time and place agreed to by the parties to this Agreement.⁶

⁶ See Attachment 5, "Project XL/ENVVEST PUBLIC PARTICIPATION PROCESS

4. Environmental Results: Innovation/Pollution Prevention

a. Background. Through the process outlined in this FPA, Vandenberg proposes to implement innovative strategies in the selection and application of advanced emission reduction technologies to reduce emissions below levels they would have been at if the project were not being undertaken. Additionally, Vandenberg proposes to categorize the emission reduction potential of the available equipment to apply the most efficient and cost-effective technologies appropriate to the pollution generating equipment.

During the initial phase of this initiative, Vandenberg will focus on boilers, which are the single largest stationary source of ozone precursor emissions. Vandenberg operates over 200 boilers rated between 100,000 Btu/hr and 5 MMBtu/hr. These units are operated for spatial heating and heated water applications throughout the base and are typically fired on natural gas. Vandenberg has recently researched the feasibility of modifying boilers rated between 2 MMBtu/hr and 5 MMBtu/hr in order to obtain emission reductions. Throughout the course of this initiative, Vandenberg will assess the emission reduction potential from a variety of sources, including but not limited to internal combustion engines and solvent and surface coating applications.

b. Investigation And Application Of Innovative Control Strategies. In order to apply the most appropriate and cost effective emission control technologies to boilers, Vandenberg is in the process of categorizing these emission units by process type and by annual operating capacity. Once segregated, Vandenberg proposes to apply advanced emission control technologies (<15 ppmvd NO_x @ 3% O₂) to those units capable of providing the greatest emission reduction. Also, Vandenberg proposes to apply somewhat less advanced emission control technologies (<30 ppmvd NO_x @ 3% O₂) to those units which provide fewer potential emission reductions. Finally, the units that operate the least are proposed to be tuned and/or modified to meet or exceed an emission standard of >30 ppmvd NO_x @ 3% O₂.

Advanced boiler emission control technologies available for these applications include lean pre-mix combustion techniques, integral flue gas recirculation burners, spark-ignited pulse combustion boilers, and oscillating gas control valves. Through the implementation of these technologies, Vandenberg will be

demonstrating advanced emission reduction methods emerging into the marketplace for these sized units. Through the demonstration of these emerging technologies, Vandenberg will be advancing the technologies beyond the research and development phases and into the commercialization stages of burner development.

c. Pollution Prevention. Through the investigation and implementation of the advanced emission reduction technologies, Vandenberg will be demonstrating the effectiveness of pollution prevention methods for control of environmental pollution. Classic emission control strategies focus on the ability to capture and destroy pollution, once generated from industrial processes. These control techniques often relied on the use of scrubbing media or catalytic exhaust treatment (including ammonia injection) to achieve ultra-low emissions thresholds (<20 ppmvd NO_x @ 3% O₂).

Through the initiatives outlined in this FPA, Vandenberg is proposing to apply innovative pollution prevention techniques in reducing emissions from their facilities. Advanced burner development provides for the reduction of NO_x through alterations in the burner configuration, eliminating the need for post exhaust controls. By working directly with technology vendors, Vandenberg has the ability to apply advanced ultra-low emission technologies.

d. Emission Reductions. Vandenberg is committed to achieving through this initiative a reduction in annual emissions of ozone precursors by at least 10 tpy by 30 November 2002. These reductions, attained by the use of innovative technology, will be permanent and will not be used as bankable emission credits for further growth at Vandenberg or any other facility. Sources selected for the Vandenberg Air Quality Project XL/ ENVVEST Initiative will not affect the calculation of the Vandenberg Net Emission Increase. This does not prohibit future Net Emission Increases at Vandenberg. However, if Vandenberg is required to undergo a mission change or additional missions are added to the facility and growth offsets are required to accommodate these mission changes, then such offsets must be obtained through projects which are not part of the air initiative, or must be acquired by the Air Force from qualified areas of sources outside Vandenberg.

5. Transferability, Feasibility, Monitoring, Reporting, and Evaluation

These criteria are addressed further in section III of this FPA.

a. Transferability. Transferability is envisioned in both a procedural and technical context. Procedurally, reallocating funding for pollution prevention rather than for compliance can result in regulatory requirements no longer being applicable. This funding trade off is a transferable mechanism. The technical transferability encompasses boiler demonstration projects testing new burner technologies that can be replicated at industrial and military facilities.

b. Feasibility. Feasibility, which is achievement of technical objectives within applicable cost constraints, is inherent within this process.

c. Monitoring And Reporting. Monitoring and Reporting relates to the collection of data necessary to proceed on to the next step which will validate the achievement of defined objectives. In this instance, adequate data regarding emissions reductions related to selected technology applications will be collected to allow for a meaningful evaluation of the progress being made to achieve specified milestones.

d. Evaluation. Evaluation will interpret the data gathered in the previous phase and make possible a determination of whether the appropriate milestone has been accomplished. This will involve a public participation component and should take place within 30 days of the completion date of any milestone.

6. Worker Safety and Environmental Justice

The base is committed to implementing Project XL/ENVVEST, complying with Executive Order 12898 and, pursuant to Executive Order 12196, complying with Air Force Office of Safety and Health standards. The Vandenberg Project XL/ENVVEST initiative will not create worker safety hazards or any disproportionately high and adverse human health or environmental effects on minority populations and low-income populations.

III. Implementation of the Vandenberg Initiative

A. Vandenberg Responsibilities; Emission Reductions

Vandenberg will implement a phased program to reduce annual emissions of ozone precursors by at least 10 tons by 30 November 2002. The initial effort will be accomplished through emission reductions from boilers, furnaces, or process heaters. Details of the program will be specified and made enforceable in the Rule 1301 Plan. The Plan shall consist of source selection criteria,

technology options, baseline emission protocols, emission measurement protocols, and emission reduction reporting protocols. Vandenberg will work in conjunction with the District Innovative Technology Group. This Plan will be submitted to the Air Pollution Control Officer ("Control Officer") no later than 30 November, 1997, to include and execute the following agreed upon milestones. Other emission reduction efforts, supporting the attainment of the 10 ton reduction goal, will be initiated for other sources, such as internal combustion engines and solvent and surface coating applications. Details of potential additional emission reduction efforts will be in the Plan. The Control Officer will approve, conditionally approve, or disapprove the Plan within 60 days of submittal.

The agreed upon milestones are as follows:

1. Within 30 days of execution of this Agreement, Vandenberg shall complete the initial assessment and cost feasibility study.
2. By 30 April 1999, 30 percent of candidate boilers identified in milestone #1 are being retrofitted.⁷
3. By 30 April 2000, 2 tons per year of emission reductions shall have been accomplished.
4. By 30 April 2001, 70 percent of candidate boilers identified in milestone #1 are being retrofitted.
5. By 30 November 2002, Vandenberg shall achieve a reduction in annual emissions of ozone precursors by 10 tons or more.

If any of the milestones are not met, this Agreement will terminate as provided in Section IV and Vandenberg will be required to comply with the requirements of Title V of the 1990 Clean Air Act Amendments, consistent with applicable rules and statutes. Compliance with milestones will be determined by the Control Officer and will be based upon data submitted by Vandenberg pursuant to agreed upon protocols. At the time of the execution of the FPA, the governing federal rule⁸ requires a source to submit a compliant permit application within one year of the time at which the source becomes subject to the permit program.

B. District Responsibilities

1. Rule Submission to EPA

The District will submit to Region IX, for inclusion into the California State Implementation Plan ("SIP"), the relevant portions of District Rule 1301 which allow for the implementation of the Project XL/ENVVEST program.

⁷ The term "being retrofitted" encompasses construction, testing, and monitoring of emission reductions.

⁸ 40 CFR Part 70, § 70.5 (a)(1)(i).

2. Technical Assistance/Plan Review and Submission to EPA

The District will provide technical assistance to Vandenberg regarding opportunities for emission reductions at Vandenberg. Vandenberg may use such assistance when preparing the emission reduction Plan. The District will formally review the Plan that Vandenberg submits pursuant to Rule 1301 and approve the Plan if it meets the requirements of District rules. The District will submit to EPA for inclusion into the SIP the Vandenberg emission reduction Plan the Control Officer approves pursuant to Rule 1301.

C. EPA Responsibilities

EPA will review District Rule 370 and portions of Rule 1301 that allow for implementation of the Vandenberg Project XL/ENVVEST initiative for inclusion in the SIP, and approve those rules if the applicable statutory and regulatory criteria are met. EPA will also approve incorporation of amended District Rule 1301 into the District's Part 70 program if statutory and regulatory criteria are met.

D. EPA Approval of Rule 1301

All parties recognize and agree that until such time as District Rule 1301, as amended to implement this Agreement, is approved by EPA, the basis upon which the Control Officer intends to exercise his discretion to find Vandenberg a non-major source is not complete and Vandenberg is still subject to regulation under Title V. If EPA does not approve⁹ the amended Rule 1301 as part of the District's Part 70 program by 1 January 1998 then this Agreement will terminate.

IV. Administration of the Agreement

A. Duration and Termination/Renewal of Agreement

This Agreement is effective until 30 November 2002. If, prior to expiration on 30 November, 2002, additional emission reduction opportunities are identified, the parties may elect to revise the reduction goals and extend the Agreement.

B. Termination

1. Parties' Termination Rights

Any party may terminate this Agreement any time prior to Control Officer's approval of the emission reduction Plan submitted to the District pursuant to Rule 1301. Such notice will be in writing and sent to the other parties. After such approval any party

may terminate its participation in the Agreement by providing 30 days notice to the other parties. Termination of this Agreement will not terminate Vandenberg's obligations under District Rules 1301 and 370 as discussed in subsections IV.B.2 and IV.B.4 below.

2. Termination of Plan

If this Agreement is terminated, achieved emission reductions will remain in place in accordance with applicable rules. There will be no obligation to perform any unachieved reductions that have not been completed if any of the following events occur, and Vandenberg's status vis-à-vis Regulation XIII will be reassessed as set forth in Section IV-B above.

Vandenberg may withdraw from the approved plan if any of the following occur:

- (a) It becomes subject to permit under Title V of the CAA as applied by federal, state, or local regulation.
- (b) It does not achieve the emissions reductions required by Rule 1301 pursuant to the schedule of milestones included in the Plan approved by the District.
- (c) USEPA does not approve the Plan for inclusion in the SIP within one year of approval by the District.

3. Stationary Source Redesignation

If the Plan is terminated in whole or in part for any reason, the Title V stationary source designation for Vandenberg will be reevaluated by EPA and the District consistent with applicable federal and state laws, rules, and regulations at the time of such termination or withdrawal of the plan. Such reevaluation will include all equipment on the facility. If such inclusion subjects Vandenberg to the permitting requirements of Regulation XIII, Vandenberg will apply for and obtain a permit in accordance with Regulation XIII and applicable federal regulations.

4. Achieved Emission Reductions

Notwithstanding any other provision in this Agreement, the portion of a Plan approved pursuant to Rule 1301 will not expire for any emission reductions that have been implemented or any equipment that has been or is being retrofitted. Such emission reductions will remain in effect and will be enforceable as part of the SIP and District Rules and Regulations.

C. Funding

Upon execution of the interim Agreement in June 1996, Vandenberg redirected all remaining Fiscal Year 1996 Title V compliance funds (\$163,000) to implement program emission reduction projects. The Fiscal

Year 1997 commitment is \$465,000 for follow-on projects. At this time Vandenberg has requested, through the normal DOD budgeting process, funds for the following periods for Title V compliance purposes:

FY '98	\$550,000
FY '99	500,000
FY '00	450,000
FY '01	400,000
Total	2,528,000

All funding commitments by Vandenberg will be in accordance with the Anti Deficiency Act (31 U.S.C. 1341).

Emission reduction projects will be funded from the funds estimated to be available in the totals identified above. Failure to achieve the milestones will result in these funds being withdrawn from this initiative and their utilization to comply with the requirements of Title V of the 1990 Clean Air Act Amendments. Costs attributable to complying with District Rule 370 will not be supported from those funds. All parties agree that administrative costs should be minimized to enhance the benefits of pursuing this initiative.

D. Events Preventing Implementation of Agreement

If at any time during implementation of this FPA, Vandenberg reasonably determines and EPA and the District concur that any requirement of such Agreement cannot be met due to circumstances beyond the control of Vandenberg (including, but not limited to, materially changed site conditions that could not reasonably have been anticipated, insufficient availability of appropriated funds or the significant failure of an innovative technology) EPA, District, and Vandenberg will attempt to negotiate mutually acceptable changes to the FPA.

E. Dispute Resolution

Any dispute that arises with respect to the meaning, application, implementation, interpretation, amendment, termination, or modification of the FPA, or with respect to the Vandenberg implementation of the FPA, the resolution of which is not expressly provided for in the FPA, will in the first instance, be the subject of informal negotiations, except with respect to Section IV.G. (Enforcement). To initiate informal negotiations, any signatory which believes it has a dispute with any other party will simultaneously notify all of the parties, in writing, setting forth the matter(s) in dispute. If the dispute cannot be resolved by the parties within 35 days

⁹ Approval for this paragraph means a letter signed by EPA.

of receipt of such notice, then one or both parties may invoke non-binding mediation by setting forth the nature of the dispute, with a proposal for its resolution, in a letter and submit it to a three person dispute resolution committee consisting of one member designated by each party.

F. Public Records and the Administrative Record

Vandenberg will issue, within 30 days of execution of this Agreement, and every 6 months thereafter until completion of the Air Quality initiative, progress reports which document progress toward goals established by this Agreement. The reports will document equipment changes and replacements, process changes, and other relevant facts which support any assertions of actual emission reductions or the progress thereof. The reports will be provided to District, Region IX, and any interested party that requests such reports. In addition, Vandenberg shall maintain the reports in local public libraries. Vandenberg will also develop and maintain an Administrative Record of all formal documents, records, and correspondence necessary as a basis for decision making regarding this initiative.

G. Enforcement

While this Agreement is not legally binding, the requirements of District Rule 370, Potential to Emit—Limitations for Part 70 Sources; District Rule 1301, Part 70 Operating Permits, definition of

“Stationary Source”; and the Vandenberg emission reduction Plan approved by the Control Officer,¹⁰ are binding and legally enforceable by the District, after all rule changes are final. Upon EPA approval of these requirements into the SIP, they will also be enforceable by EPA and citizens under the Clean Air Act. District and federal enforceability of the above provisions will remain in effect until such provisions are modified or rescinded by the District and approved by EPA.

These enforcement measures make Vandenberg accountable for achieving the milestones set out in this FPA and the Plan submitted pursuant to Rule 1301.

H. Periodic Review and Evaluation Activities

Each party will review this Agreement, pursuant to the above mentioned milestones in Section III.A. The review will be an evaluation of the progress towards achieving the objectives of this Agreement.

I. Means of Giving Notice

When giving notice with regard to FPA modification or termination, the parties will contact the FPA signatories in writing. Informal communication may be given by phone or in writing to the following contact offices:

¹⁰ Upon approval by the Control Officer, the Plan will be appended to this Agreement as Attachment 6.

Environmental Management Office, (805) 734-8232 (x-61921), Vandenberg Air Force Base
Office of Strategic Planning and Emerging Issues, (415) 744-2390, U.S. Environmental Protection Agency, Region IX
Manager of Major Source Division, (805) 961-8800, Santa Barbara County Air Pollution Control District

J. Effective Date

This Agreement is effective upon the date of the last signature by the parties.

Felicia Marcus,

Regional Administrator, United States Environmental Protection Agency, Region IX.

C. Robert Kehler,

Colonel, USAF, Commander, 30th Space Wing, Vandenberg Air Force Base.

Douglas W. Allard,

Air Pollution Control Officer, Santa Barbara County Air Pollution Control District.

List of Attachments

1. Memorandum Of Agreement Between The Department Of Defense And The U.S. Environmental Protection Agency On Regulatory Reinvention Pilot Projects.
2. Santa Barbara County Air Pollution Control District Rule 370, Potential To Emit, Limitations For Part 70 Sources.
3. Interim Agreement On The Implementation Of The Project XL/Envvest “Title V” Initiative.
4. Santa Barbara County Air Pollution Control District Rule 1301, Part 70 Operating Permits—General Information.
5. Public Participation Process.
6. Rule 1301 Plan (Will Be Appended To FPA Upon Approval By The Control Officer).

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