



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

AUG 30 2010

OFFICE OF  
ENFORCEMENT AND  
COMPLIANCE ASSURANCE

MEMORANDUM

SUBJECT: Integrating NPDES Program Oversight

FROM: *for* James A. Hanlon, Director *James A. Hanlon*  
Office of Wastewater Management

Lisa Lund, Director *Lisa Lund*  
Office of Compliance

TO: Regional Water Division Directors  
Regional Senior Enforcement Managers

The Office of Wastewater Management (OWM) and the Office of Compliance (OC) are jointly initiating an effort to strengthen performance in the National Pollutant Discharge Elimination System (NPDES) program by integrating and streamlining approaches for oversight of NPDES permitting and enforcement. We request your participation in this effort.

This current initiative will build upon recent efforts by the Office of Enforcement and Compliance Assurance and the Office of Water to strengthen implementation of the NPDES permit and enforcement programs under the Clean Water Act Action Plan and the "Coming Together for Clean Water" strategy. This effort will tie the improvements envisioned in these documents with the implementation of recommendations made by the EPA Inspector General to revise and strengthen EPA-State NPDES Memoranda of Agreement, and to incorporate efficiencies identified in LEAN events. This also offers the opportunity to review issues identified by the permit quality and enforcement program reviews alongside those instances where EPA has received withdrawal petitions based on state performance.

The integration of permitting and enforcement program reviews builds on lessons learned from a LEAN event in Region 7 in August 2008. Participants from EPA headquarters (OWM and OECA), EPA Region 7, and the four States in EPA Region 7 (Iowa, Kansas, Missouri, and Nebraska) conducted a LEAN business process improvement event (Kaizen event) focused on NPDES permitting and enforcement processes. The goal of this event was the improved effectiveness and efficiency of the implementation of the NPDES program, as well as to foster



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more effective collaboration and issue resolution between EPA and the states. The event resulted in the development of redesigned processes that clarified how to address critical technical issues in the permitting process, plan and conduct inspections and reviews, and collaborate between EPA and the state agencies. EPA is currently developing methods to implement these recommended process changes into the NPDES enforcement and permitting programs. EPA's Inspector General has recently conducted a performance audit of the Region 7 NPDES Kaizen event, and will issue recommendations for EPA and states to implement the efficiencies more broadly.

On June 22<sup>nd</sup> 2010, a memorandum entitled "Interim Guidance to Strengthen Performance in the NPDES Program" was issued by the Assistant Administrators for OECA and OW. This memorandum requested that EPA regions work with state partners to identify water quality priorities, which would then serve to guide the investment of resources toward addressing the most significant water quality problems and the most serious violations. As part of this memorandum, states and regions were asked to integrate certain actions into the planning for FY2011 and to submit a summary of the regional and state negotiated workplans to each office by October 29, 2010. On August 25, 2010, OC provided a template for preparing the summary of the workplans. This Guidance also recommended the integration of permit and enforcement reviews.

A joint OECA and OW effort is currently underway to address concerns identified in a draft June 9, 2010, Inspector General (IG) Report regarding the quality of the NPDES EPA-State Memoranda of Agreement. This Report concluded that existing memoranda of agreement between EPA and states governing the state implementation of the NPDES program do not ensure adequate Agency management controls and effective oversight. EPA has drafted a response to the IG Report and is in the process of developing specific corrective actions to remedy the implementation and oversight issues. One of the corrective actions is to develop a mechanism to review the adequacy and consistency of MOAs on a regular basis.

OWM and OC would like to build upon the activities outlined above with the goal of further streamlining and integrating EPA's oversight of the NPDES program, starting with coordinating the Permit Quality Review and the State Review Framework oversight tools. We believe that regional support and participation is critical to ensure effective implementation and enforcement by authorized states. As a result, OWM and OC request the participation of each of your offices in the current initiative by selecting representatives who will serve on a Headquarters/Regional Workgroup focused on developing an integrated program oversight framework.

Please send the name and contact information for your representative(s) by September 3, 2010, to Tom Laverty in OWM and Chris Knopes in OC. We anticipate that the first workgroup meeting will be held during the week of September 7, 2010. During this meeting, the workgroup will provide feedback on an initial set of draft materials that will outline the parameters and mechanics of an integrated oversight process. Our expectations are that the workgroup will work together over the next two months to refine these materials so that a draft framework will be ready to be presented at the next Water Division Directors meeting scheduled for October 26<sup>th</sup>, 27<sup>th</sup> and 28<sup>th</sup> in New Orleans. We hope that both Regional Water and Enforcement Directors will be able to attend this important meeting.



Soon after the meeting in New Orleans, this invitation to participate will also be extended to the states through both the Environmental Council of the States (ECOS) and the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA). The goal is to be prepared to implement the new integrated approach by the beginning of FY 2012.

If you have any questions or concerns related this initiative, please contact Tom Lavery, whose telephone number is (202) 566-1869 or Chris Knopes, whose telephone number is (202) 564-2337. We look forward to working together to improve the oversight and implementation of the NPDES program in our continuing efforts to protect and improve water quality.

cc: Tom Lavery  
Chris Knopes  
Enforcement Coordinators  
State Review Framework Coordinators