MEMORANDUM

SUBJECT: Revised Policy Statement on Scope of Discharge Authorization and Shield Associated with NPDES Permits

FROM: Robert Perciasepe
Assistant Administrator for Water

Steven A. Herman
Assistant Administrator for Enforcement and Compliance Assurance

Jean C. Nelson
General Counsel

TO: Regional Administrators
Regional Counsels

On July 1, 1994, we issued a memorandum entitled "Policy Statement on Scope of Discharge Authorization and Shield Associated with NPDES Permits." Subsequently we have been asked to clarify that a discharger must provide the information in writing for the permit record in order to obtain the authorization to discharge and the shield provided by a National Pollutant Discharge Elimination System (NPDES) permit.

Thus, we are reissuing the July 1, 1994 memorandum with additional text to clarify this point. All of the new text is indicated by italics text. There are no other changes to the July 1994 memorandum, except on the last page we have updated the schedule to indicate revised dates for proposal for the municipal and industrial application requirements and revised the phone numbers and organizational affiliations of the contact persons. The full text of the now revised July 1994 memorandum appears immediately below.

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Recently questions have been raised regarding EPA's interpretation of the scope of the "shield" associated with National Pollutant Discharge Elimination System (NPDES) permits under the Clean Water Act (CWA). Section 402(k) of the CWA -- the "shield" provision -- provides that compliance with an NPDES permit shall be deemed compliance, for purposes of section 309
and 505 enforcement, with sections 301, 302, 306, 307 and 403 of
the CWA (except for any standard imposed under section 307 for
toxic pollutants injurious to human health). This policy
statement describes EPA’s position on the scope of the
authorization to discharge under an NPDES permit, and the shield
thus associated with the permit authorization.

Individual NPDES Permits

As part of an application for an individual NPDES permit,
EPA requires that an applicant provide information on its
facility. In the case of industrial permit applications, this
includes specific information about the presence and quantity of
a number of specific pollutants in the facility’s effluent, as
well as on all waste streams and operations contributing to the
facility’s effluent and the treatment the wastewater receives.
Applications for municipal discharges focus primarily on the
operation and treatment processes at the municipal treatment
works. See 40 C.F.R. § 122.21.

Historically, EPA has viewed the permit, together with
material submitted during the application process and information
in the public record accompanying the permit, as important bases
for an authorization to discharge under section 402 of the CWA.
The availability of the section 402(k) shield is predicated upon
the issuance of an NPDES permit and a permittee’s full compliance
with all applicable application requirements, any additional
information requests made by the permit authority and any
applicable notification requirements. See 40 C.F.R. §§122.41(1)
and 122.42. Also see, 45 Fed. Reg. 33311-12, 33522-23 (May 19,
1980).

A permit provides authorization and therefore a shield for
the following pollutants resulting from facility processes, waste
streams and operations that have been clearly identified in the
permit application process when discharged from specified
outfalls:

1) Pollutants specifically limited in the permit or
pollutants which the permit, fact sheet, or
administrative record explicitly identify as controlled
through indicator parameters;¹

2) Pollutants for which the permit authority has not
established limits or other permit conditions, but

¹ Of course, authorization is only provided to discharge
such pollutants within the limits and subject to the conditions
set forth in the permit.
which are specifically identified in writing as present in facility discharges during the permit application process and contained in the administrative record which is available to the public; and

3) Pollutants not identified as present but which are constituents of wastestreams, operations or processes that were clearly identified in writing during the permit application process and contained in the administrative record which is available to the public.²

With respect to subparts 2 and 3 of the permit authorization described above, EPA recognizes that a discharger may make changes to its permitted facility (which contribute pollutants to the effluent at a permitted outfall) during the effective period of the NPDES permit. Pollutants associated with these changes (provided they are within the scope of the operations identified in the permit application) are also authorized provided the discharger has complied in a timely manner with all applicable notification requirements (see 40 C.F.R. §§ 122.41(l) and 122.42(a) & (b)) and the permit does not otherwise limit or prohibit such discharges.

Notwithstanding any pollutants that may be authorized pursuant to subparts 1 and 2 above, an NPDES permit does not authorize the discharge of any pollutants associated with wastestreams, operations, or processes which existed at the time of the permit application and which were not clearly identified during the application process.

General NPDES Permits

Section 402(k) also shields discharges of pollutants authorized under a general permit. EPA’s position is that general permits authorize the discharge of all pollutants within the specified scope of a particular general permit, subject to all pollutant limits, notification requirements and other conditions within a particular general permit so long as the permittee complies with all EPA application requirements for the general permit.

EPA regulations provide the circumstances for which discharges may be authorized under a general permit. See 40 C.F.R. §122.28. To obtain authorization to discharge under a general permit (and consequently, the protection of the shield),

² The permit, of course, may explicitly prohibit or limit the scope of such discharges.
in most cases, the prospective permittee must submit either a written notice of intent to be subject to the general permit or a permit application as appropriate. General permittees are also subject to the notification provisions of 40 C.F.R. §§ 122.41 and 122.42.

Spills

While NPDES permits may authorize the discharge of pollutants associated with intermittent flows, permits do not generally authorize the discharge of pollutants associated with spills. There may be limited circumstances where anticipated spills are fully disclosed to EPA and considered during the permitting process as documented in the public record consistent with applicable NPDES regulations. In such circumstances, the discharge of pollutants from such spills would be authorized so long as the permit does not otherwise limit or prohibit such discharges and such a spill does not violate any statutory or regulatory provision.

CERCLA

Finally, there also has been some question regarding the relationship of the NPDES permit shield and the "federally permitted release" exemption under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). EPA's position is that the scope of federally permitted releases under CERCLA section 101(10)(A), (B) and (C) is currently defined by the regulations at 40 C.F.R. § 117.12, which implement language in section 311 of the CWA that is very similar to the federally permitted release definitions. Thus, the Agency takes the position that the NPDES permit shield outlined above in no way expands the scope of the federally permitted releases under CERCLA.

Next Steps

The Office of Water has established two regulatory workgroups which are working on revisions to the NPDES permit application regulations for municipal and industrial dischargers. We want the regulations to ensure the applicant has the responsibility to more fully characterize the nature of its effluent, and the contributions of the effluent to the receiving water. In addressing this issue, we will review EPA's position on the scope of the shield provided by §402(k). In addition, we will consider changes to related NPDES permit regulations, including whether to revise the requirements for: facilities to notify EPA (or the State) of modifications to its operations or processes; facilities to notify EPA (or the State) of changes in
the discharge; notification to the public of the nature of the discharge limitations a permittee is held responsible for; and the use of indicator pollutants.

We encourage the Regions to actively participate in the development of these updated regulations. The current schedule calls for proposal of the changes to the municipal application requirements in June 1995 and promulgation of the revised regulations in 1997. Our new schedule for changes to the industrial application requirements, for which there is more interest in permit shield issues, is proposal of the regulation changes in January 1996.

If you have any questions on these issues, please contact us or have your staff contact, James Pendergast in the Office of Water at 202 260-9545, David Hindin in the Office of Regulatory Enforcement, at 202 564-6004, or Richard Witt in the Office of General Counsel at 202 260-7715.

cc: Elliott P. Laws
Regional Water Management Division Directors
Office of Regional Counsel Water Branch Chiefs
Lois Schiffer, Department of Justice
Jocelyn Crocc, Department of Justice