

US EPA ARCHIVE DOCUMENT

Procedure Act (APA).⁴ It follows that the requirements of the Regulatory Flexibility Act⁵ do not apply.

The effective date for the updated Filer Manual and the rule amendments is April 20, 2015. In accordance with the APA,⁶ we find that there is good cause to establish an effective date less than 30 days after publication of these rules. The EDGAR system upgrade to Release 15.1 is scheduled to become available on April 13, 2015. The Commission believes that establishing an effective date less than 30 days after publication of these rules is necessary to coordinate the effectiveness of the updated Filer Manual with the system upgrade.

Statutory Basis

We are adopting the amendments to Regulation S-T under Sections 6, 7, 8, 10, and 19(a) of the Securities Act of 1933,⁷ Sections 3, 12, 13, 14, 15, 23, and 35A of the Securities Exchange Act of 1934,⁸ Section 319 of the Trust Indenture Act of 1939,⁹ and Sections 8, 30, 31, and 38 of the Investment Company Act of 1940.¹⁰

List of Subjects in 17 CFR Part 232

Incorporation by reference, Reporting and recordkeeping requirements, Securities.

Text of the Amendment

In accordance with the foregoing, Title 17, Chapter II of the Code of Federal Regulations is amended as follows:

PART 232—REGULATION S-T— GENERAL RULES AND REGULATIONS FOR ELECTRONIC FILINGS

■ 1. The authority citation for Part 232 continues to read in part as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s(a), 77z-3, 77sss(a), 78c(b), 78l, 78m, 78n, 78o(d), 78w(a), 78ll, 80a-6(c), 80a-8, 80a-29, 80a-30, 80a-37, and 7201 *et seq.*; and 18 U.S.C. 1350.

* * * * *

■ 2. Section 232.301 is revised to read as follows:

§ 232.301 EDGAR Filer Manual.

Filers must prepare electronic filings in the manner prescribed by the EDGAR Filer Manual, promulgated by the Commission, which sets out the technical formatting requirements for

electronic submissions. The requirements for becoming an EDGAR Filer and updating company data are set forth in the updated EDGAR Filer Manual, Volume I: “General Information,” Version 20 (April 2015). The requirements for filing on EDGAR are set forth in the updated EDGAR Filer Manual, Volume II: “EDGAR Filing,” Version 30 (April 2015). Additional provisions applicable to Form N-SAR filers are set forth in the EDGAR Filer Manual, Volume III: “N-SAR Supplement,” Version 4 (October 2014). All of these provisions have been incorporated by reference into the Code of Federal Regulations, which action was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. You must comply with these requirements in order for documents to be timely received and accepted. The EDGAR Filer Manual is available for Web site viewing and printing; the address for the Filer Manual is <http://www.sec.gov/info/edgar.shtml>. You can obtain paper copies of the EDGAR Filer Manual from the following address: Public Reference Room, U.S. Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. You can also inspect the document at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal-register/code_of_federal_regulations/ibr_locations.html.

By the Commission.

April 13, 2015.

Brent J. Fields,

Secretary.

[FR Doc. 2015-08982 Filed 4-17-15; 8:45 am]

BILLING CODE 8011-01-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 98

Mandatory Greenhouse Gas Reporting

CFR Correction

In Title 40 of the Code of Federal Regulations, Parts 96 to 99, revised as of July 1, 2014, on page 859, in § 98.244, reinstate paragraph (b)(4)(ix) to read as follows:

§ 98.244 Monitoring and QA/QC requirements.

* * * * *

(b) * * *

(4) * * *

(ix) Method 18 at 40 CFR part 60, appendix A-6.

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[FR Doc. 2015-09121 Filed 4-17-15; 8:45 am]

BILLING CODE 1505-01-D

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 271

[EPA-R01-RCRA-2015-0195; FRL-9926-54-Region 1]

Vermont: Final Authorization of State Hazardous Waste Management Program Revisions

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: The State of Vermont has applied to EPA for Final authorization of changes to its hazardous waste program under the Resource Conservation and Recovery Act (RCRA). EPA has determined that these changes satisfy all requirements needed to qualify for Final authorization, and is authorizing the State's changes through this direct final action.

DATES: This rule is effective on June 19, 2015 without further notice, unless EPA receives adverse written comment by May 20, 2015. If EPA receives adverse comment, we will publish a timely withdrawal in the **Federal Register** informing the public that the rule will not take effect, unless and until the public comment is considered and another final rulemaking document is issued.

ADDRESSES: Submit any comments, identified by Docket ID No. EPA-R01-RCRA-2015-0195, by one of the following methods:

- www.regulations.gov: Follow the on-line instructions for submitting comments.
- *Email:* leitch.sharon@epa.gov.
- *Fax:* (617) 918-0647, to the attention of Sharon Leitch.
- *Mail:* Sharon Leitch, RCRA Waste Management and UST Section, Office of Site Remediation and Restoration (OSRR07-1), US EPA Region 1, 5 Post Office Square, Suite 100, Boston, MA 02109-3912.
- *Hand Delivery:* Sharon Leitch, RCRA Waste Management and UST Section, Office of Site Remediation and Restoration (OSRR07-1), US EPA Region 1, 5 Post Office Square, 7th floor, Boston, MA 02109-3912. Such deliveries are only accepted during normal hours of operation, and special arrangements should be made for

⁴ 5 U.S.C. 553(b).

⁵ 5 U.S.C. 601-612.

⁶ 5 U.S.C. 553(d)(3).

⁷ 15 U.S.C. 77f, 77g, 77h, 77j, and 77s(a).

⁸ 15 U.S.C. 78c, 78l, 78m, 78n, 78o, 78w, and 78ll.

⁹ 15 U.S.C. 77sss.

¹⁰ 15 U.S.C. 80a-8, 80a-29, 80a-30, and 80a-37.

deliveries of boxed information. Please contact Sharon Leitch at (617) 918-1647.

Instructions: Direct your comments to Docket ID No. EPA-R01-RCRA-2015-0195. EPA's policy is that all comments received will be included in the public docket without change and may be made available online at www.regulations.gov, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through www.regulations.gov or email. The www.regulations.gov Web site is an "anonymous access" system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an email comment directly to EPA without going through www.regulations.gov your email address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses.

Docket: All documents in the docket are listed in the www.regulations.gov index. Although listed in the index, some information might not be publicly available, e.g., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, might be publicly available only in hard copy form. Publicly available docket materials are available either electronically through www.regulations.gov or in hard copy at the EPA Region 1 Library, 5 Post Office Square, 1st floor, Boston, MA 02109-3912; by appointment only; tel: (617) 918-1990.

FOR FURTHER INFORMATION CONTACT: Sharon Leitch, RCRA Waste Management and UST Section, Office of Site Remediation and Restoration, (Mail Code: OSRR07-1), EPA Region 1, 5 Post Office Square, Suite 100, Boston, MA 02109-3912; telephone number: (617) 918-1647; fax number (617) 918-0647; email address: leitch.sharon@epa.gov.

SUPPLEMENTARY INFORMATION:

A. Why are revisions to State programs necessary?

States which have received final authorization from EPA under RCRA section 3006(b), 42 U.S.C. 6926(b), must maintain a hazardous waste program that is equivalent to, consistent with, and no less stringent than the Federal program. As the Federal program changes, States must change their programs and ask EPA to authorize the changes. Changes to State programs may be necessary when Federal or State statutory or regulatory authority is modified or when certain other changes occur. Most commonly, States must change their programs because of changes to EPA's regulations in Title 40 of the Code of Federal Regulations (CFR) parts 124, 260 through 266, 268, 270, 273, and 279. When states make other changes to their regulations, it also often is appropriate for the states to seek authorization of the changes.

B. What decisions have we made in this rule?

We have concluded that Vermont's application to revise its authorized program meets all of the statutory and regulatory requirements established by RCRA. Therefore, we grant Vermont Final authorization to operate its hazardous waste program with the changes described in the authorization application. Vermont has responsibility for permitting treatment, storage, and disposal facilities (TSDFs) within its borders and for carrying out the aspects of the RCRA program covered by its revised program application, subject to the limitations of the Hazardous and Solid Waste Amendments of 1984 (HSWA). New Federal requirements and prohibitions imposed by Federal regulations that EPA promulgates under the authority of HSWA take effect in authorized States before they are authorized for the requirements. Thus, EPA will implement any such requirements and prohibitions in Vermont, including issuing permits, until the State is granted authorization to do so.

C. What is the effect of today's authorization decision?

The effect of this decision is that a facility in Vermont subject to RCRA will now have to comply with the authorized State requirements instead of the Federal requirements governing the operation of the wastewater evaporation units subject to the state regulations, in order to comply with RCRA. Vermont has enforcement responsibilities under its State hazardous waste program for

violations of such program, but EPA also retains its full authority under RCRA sections 3007, 3008, 3013, and 7003, which includes, among others, authority to:

- Perform inspections, and require monitoring, tests, analyses or reports
- Enforce RCRA requirements and suspend or revoke permits
- Take enforcement actions

This action does not impose additional requirements on the regulated community because the regulations for which Vermont is being authorized by this action are already effective under state law, and are not changed by this action.

D. Why is EPA using a direct final rule?

EPA is publishing this rule without a prior proposed rule because we view this as a noncontroversial action and anticipate no adverse comment. However, in the "Proposed Rules" section of this **Federal Register**, we are publishing a separate document that will serve as the proposed rule to authorize the State program changes if adverse comments are received on this direct final rule. We will not institute a second comment period on this action. Any parties interested in commenting must do so at this time. Further information about commenting on this rule, see the **ADDRESSES** section of this document.

If EPA receives adverse comment, we will publish a timely withdrawal in the **Federal Register** informing the public that this direct final rule will not take effect. We would address all public comments in any subsequent final rule based on the proposed rule.

E. What has Vermont previously been authorized for?

The State of Vermont initially received Final authorization on January 7, 1985, with an effective date of January 21, 1985 (50 FR 775) to implement the RCRA hazardous waste management program. The Region published an immediate final rule for certain revisions to Vermont's program on May 3, 1993 (58 FR 26242) and reopened the comment period for these revisions on June 7, 1993 (58 FR 31911). This authorization became effective August 6, 1993 (see 58 FR 31911). The Region granted authorization for further revisions to Vermont's program on September 24, 1999 (64 FR 51702), effective November 23, 1999. On October 18, 1999 (64 FR 46174) the Region published a correction to the immediate final rule that was published on September 24, 1999. The Region granted authorization for further revisions to Vermont's program on

October 26, 2000, effective December 26, 2000 (65 FR 64164). That **Federal Register** also made a technical correction. On June 23, 2005 (70 FR 36350) the Region published an immediate final rule for additional revisions to Vermont's program. This authorization became effective on August 22, 2005. The Region granted authorization for further revisions to Vermont's program on March 16, 2007 (72 FR 12568), which became effective on May 15, 2007. The Region granted authorization for further revisions to Vermont's program on December 31, 2013 (78 FR 79615), which became effective on March 3, 2014.

F. What changes are we authorizing with today's action?

On January 16, 2015, Vermont submitted a final complete program revision application, seeking authorization for their changes in accordance with 40 CFR 271.21. Vermont is seeking authorization for regulations that the state has adopted governing the operation of wastewater evaporation units.

We are now making an immediate final decision that, subject to reconsideration only if we receive written comments that oppose this action, Vermont's hazardous waste program revisions satisfy all of the requirements necessary to qualify for Final authorization. We have determined that the Vermont requirements governing wastewater evaporation units are "more stringent" than federal requirements. Therefore, we grant Vermont Final authorization for the following program changes: Vermont Hazardous Waste Management Regulation (VHWMR) section 7–502(o)(8), along with the revision to the note following VHWMR section 7–502(o)(10) and the definition of wastewater evaporator unit in VHWMR section 7–103. Since Vermont regulates wastewater evaporator units under various conditions set forth in its generator treatment in tanks provisions, the analogous federal requirements are in 40 CFR 262.34.

The Final authorization of these state regulations is in addition to the previous authorization of state regulations, which remain part of the authorized program.

G. How are the revised state rules different from the federal rules and why have they been determined to be more stringent?

Wastewater evaporation units (evaporators) (as further defined by Vermont) evaporate water using heat to reduce the volume of wastewater and to

concentrate hazardous wastes. Vermont regulates these units using its permit exemption for generator treatment in tanks and additional conditions designed to effectively regulate evaporators. EPA has analyzed whether the Vermont regulations are equally or more protective of human health and the environment than the federal regulations, rather than being less stringent. The Agency has determined that Vermont's regulations are more protective/stricter, thus being within the State's authority to maintain under RCRA section 3009. A Memorandum entitled "Further Explanation of Decision" dated February 2015, containing a more detailed analysis of this issue, has been included in the Administrative Record. Additionally, the EPA analyzed whether the stricter state regulations are "more stringent" or "broader in scope". EPA has determined that they are "more stringent" thus being regulations that should be federally authorized and enforced. An explanation of EPA's determinations is set forth below.

1—Determination That State Regulations Are Stricter Than the Federal Regulations

To determine whether the state regulations are stricter and not less stringent than the federal regulations, EPA has compared the state regulations to the federal regulations, including examining interpretations that have been made of the federal regulations (available in the administrative record and in RCRA Online). However, in line with the national policy: Determining Equivalency of State RCRA Hazardous Waste Programs, September 7, 2005 (Equivalency Policy), EPA has not required that the state follow the same identical approach as the federal regulations. Rather, EPA has focused, "on whether the state requirements provide [at least] equal environmental results as the federal counterparts." *Id.*

At the federal level, the wastewater treatment unit (WWTU) exemption has been interpreted to cover many hazardous waste evaporators. Vermont is stricter than this federal approach in that it excludes wastewater evaporation units from being covered under its WWTU exemption. Rather, it regulates them under its more protective generator treatment in tanks exemption. Furthermore, Vermont's generator treatment in tanks exemption is more stringent than the federal exemption in that it imposes additional requirements designed to effectively regulate evaporators.

However, there may be some evaporators that do not qualify for the

WWTU exemption at the federal level. EPA has assumed for purposes of today's decision that the current EPA interpretation of the federal regulations is that, at the federal level, evaporation treatment is considered to be thermal treatment and is not allowed to be conducted by generators without permits under the generator treatment in tanks exemption. Nevertheless, for the reasons explained below, EPA has determined that the Vermont regulations are stricter, not less stringent than, the federal regulations.

EPA has concluded that we should look at the overall RCRA program and assess the effect of the Vermont program across the board. In doing that, EPA has concluded that the Vermont program is stricter than any of the federal requirements with respect to wastewater evaporators. RCRA section 3009. Vermont consistently and strictly regulates all generator evaporators by imposing hazardous waste management requirements and comprehensive air emissions regulations. This approach is stricter across the board than the federal approach, and thus should be allowed consistent with the national Equivalency Policy, which emphasizes that states may take different but equally or more protective approaches.

Vermont has requirements that are comparable to permits because the Vermont regulations require the same type of tank management standards and air emission control requirements as would be included in permits. Vermont also requires every generator operating an evaporator to submit a notice and obtain review of its operation.

EPA emphasizes that this decision allows non-permitted evaporation treatment (outside of the WWTU exemption) only in Vermont. Such treatment will be allowed only because it has been federally authorized as "functionally equivalent," and this federal authorization is being granted based on the strict requirements adopted by Vermont. EPA further emphasizes that this regional rulemaking has no implications for how other kinds of "thermal treatment" will be regulated. Generally "thermal treatment" is not allowed without permits under either the generator treatment in tanks (and containers) exemption or under the WWTU exemption. Here, EPA is only allowing, subject to stricter Vermont standards, the same kind of evaporation treatment that already has been allowed without permits under the WWTU exemption at the federal level and in the many states that follow the federal approach.

Finally, EPA notes that Vermont is stricter than the federal approach with

respect to any evaporators located at Treatment, Storage and Disposal Facilities (TSDFs). These evaporators must always obtain RCRA permits in Vermont, since Vermont does not allow the use of the WWTU exemption for evaporators and Vermont's treatment in tanks permit exemption for evaporators is limited to generators.

2—Determination That State Regulations Are More Stringent Rather Than Broader in Scope

State regulations that are stricter may be determined to be more stringent or broader in scope. While states are allowed to maintain both types of requirements, this determination is important because state regulations that EPA determines to be more stringent are made part of the federally authorized program and are federally enforceable. State regulations that the EPA determines to be broader in scope are not made part of the federally authorized program and thus, are not federally enforceable.

To determine whether the Vermont regulations are more stringent or broader in scope, EPA has consulted the national policy: Determining Whether State Hazardous Waste Requirements are More Stringent or Broader in Scope than the Federal RCRA Program, December 23, 2014. Included in that policy is a two-part test that Regions generally use to determine whether state provisions are more stringent or broader in scope. EPA has determined that the Vermont regulations are more stringent.

As noted in that policy, when EPA regulates hazardous waste through conditional exclusions, the federal conditions amount to a form of regulation. When a state imposes additional conditions for materials still considered to be hazardous wastes at the federal level even when the federal conditions are met, the additional state conditions do not increase the size of the regulated community. Therefore, these are considered to be a more stringent not broader in scope conditions under the first test. As noted in the Appendix to the policy, an example of this is the WWTU exemption. While EPA regulates evaporators under the WWTU exemption less strictly than Vermont, both are regulating them and the additional Vermont regulations pass the first test set forth in the policy for being considered more stringent. Evaporators that do not qualify for the WWTU exemption at the federal level are regulated at the federal level, and thus the state regulation of them is also within the scope of the federal program under the first test.

The Vermont regulations pass the second test in the policy for being considered more stringent. The federal WWTU exemption requires treatment to occur within a tank or tank system in order to prevent releases of hazardous wastes. Similarly, the state requirements for evaporators are counterparts to the federal requirement in that they seek to prevent releases. In addition, the state imposes its large quantity generator (LQG) and small quantity generator (SQG) requirements on those generators operating evaporators, counterparts to these requirements exist in the federal LQG and SQG regulations. The state regulation of evaporators is similar to when additional state regulation of CESQs exist, which is cited in the national policy as meeting both tests for being more stringent rather than broader in scope. For those evaporators not subject to the federal WWTU exemption, the state regulations have counterparts in the federal permit regulations.

The regulations listed in Section F. above are being federally authorized and will be federally enforceable. The other previously authorized Vermont generator requirements will also be federally enforceable with respect to generator evaporators. In addition, the previously authorized full state permit requirements with respect to any evaporators at TSDFs will also be federally enforceable. Also, as previously authorized, the WWTU exemption will not apply to any evaporators in Vermont since they are excluded under the definition of WWTU adopted by Vermont.

H. Who handles permits after the authorization takes effect?

Vermont will issue permits for all the provisions for which it is authorized and will administer the permits it issues. EPA will implement and issue permits for any HSWA requirements for which Vermont is not yet authorized.

I. What is codification and is EPA codifying Vermont's hazardous waste program as authorized in this rule?

Codification is the process of placing the State's statutes and regulations that comprise the State's authorized hazardous waste program into the Code of Federal Regulations. We do this by referencing the authorized State rules in 40 CFR part 272. We reserve the amendment of 40 CFR part 272, subpart UU for this authorization of Vermont's program until a later date.

J. Administrative Requirements

The Office of Management and Budget (OMB) has exempted this action (RCRA

State Authorization) from the requirements of Executive Orders 12866 (58 FR 51735, October 4, 1993) and 13563 (76 FR 3821, January 21, 2011). Therefore, this action is not subject to review by OMB. This action authorizes State requirements for the purpose of RCRA 3006 and imposes no additional requirements beyond those imposed by State law. Accordingly, this action will not have a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*). Because this action authorizes pre-existing requirements under State law and does not impose any additional enforceable duty beyond that required by State law, it does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4). For the same reason, this action also does not significantly or uniquely affect the communities of Tribal governments, as specified by Executive Order 13175 (65 FR 67249, November 9, 2000). This action will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government, as specified in Executive Order 13132 (64 FR 43255, August 10, 1999), because it merely authorizes State requirements as part of the State RCRA hazardous waste program without altering the relationship or the distribution of power and responsibilities established by RCRA. This action also is not subject to Executive Order 13045 (62 FR 19885, April 23, 1997), because it is not economically significant and it does not make decisions based on environmental health or safety risks. This rule is not subject to Executive Order 13211, “Actions Concerning Regulations That Significantly Affect Energy Supply, Distribution, or Use” (66 FR 28355, May 22, 2001) because it is not a “significant regulatory action” as defined under Executive Order 12866.

Under RCRA 3006(b), EPA grants a State's application for authorization as long as the State meets the criteria required by RCRA. It would thus be inconsistent with applicable law for EPA, when it reviews a State authorization application, to require the use of any particular voluntary consensus standard in place of another standard that otherwise satisfies the requirements of RCRA. Thus, the requirements of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C.

272 note) do not apply. As required by section 3 of Executive Order 12988 (61 FR 4729, February 7, 1996), in issuing this rule, EPA has taken the necessary steps to eliminate drafting errors and ambiguity, minimize potential litigation, and provide a clear legal standard for affected conduct. EPA has complied with Executive Order 12630 (53 FR 8859, March 15, 1988) by examining the takings implications of the rule in accordance with the "Attorney General's Supplemental Guidelines for the Evaluation of Risk and Avoidance of Unanticipated Takings" issued under the executive order. This rule does not impose an information collection burden under the provisions of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*). Executive Order 12898 (59 FR 7629, Feb. 16, 1994) establishes federal executive policy on environmental justice. Its main provision directs federal agencies, to the greatest extent practicable and permitted by law, to make environmental justice part of their mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of their programs, policies, and activities on minority populations and low-income populations in the United States. Because this rule authorizes pre-existing State rules which are at least equivalent to, and no less stringent than existing federal requirements, and imposes no additional requirements beyond those imposed by State law, and there are no anticipated significant adverse human health or environmental effects, the rule is not subject to Executive Order 12898.

The Congressional Review Act, 5 U.S.C. 801 *et seq.*, as added by the Small Business Regulatory Enforcement Fairness Act of 1996, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. EPA will submit a report containing this document and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication in the **Federal Register**. A major rule cannot take effect until 60 days after it is published in the **Federal Register**. This action is not a "major rule" as defined by 5 U.S.C. 804(2). This action nevertheless will be effective 60 days after it is published, because it is a direct final rule.

List of Subjects in 40 CFR Part 271

Environmental protection, Hazardous waste.

Authority: This action is issued under the authority of sections 2002(a), 3006 and 7004(b) of the Solid Waste Disposal Act as amended 42 U.S.C. 6912(a), 6926, 6974(b).

Dated: March 24, 2015.

H. Curtis Spalding,

Regional Administrator, EPA Region 1.

[FR Doc. 2015-08997 Filed 4-17-15; 8:45 am]

BILLING CODE 6560-50-P

LEGAL SERVICES CORPORATION

45 CFR Part 1640

Application of Federal Law to LSC Recipients

AGENCY: Legal Services Corporation

ACTION: Final rule.

SUMMARY: This final rule updates the Legal Services Corporation (LSC or Corporation) regulation on the application of Federal law to LSC recipients. The FY 1996 appropriations act (incorporated in LSC's appropriations by reference annually thereafter) subjects LSC recipients and its employees and board members to Federal law relating to the proper use of Federal funds. This final rule provides recipients with notice of the applicable Federal laws each recipient and its employees and board members must agree to be subject to under this rule, the consequences of a violation of an applicable Federal law, and where LSC will maintain the list of applicable laws.

DATES: This final rule will be effective on May 20, 2015.

FOR FURTHER INFORMATION CONTACT: Stefanie K. Davis, Assistant General Counsel, Legal Services Corporation, 3333 K Street NW., Washington, DC 20007; (202) 295-1563 (phone), (202) 337-6519 (fax), or sdavis@lsc.gov.

SUPPLEMENTARY INFORMATION:

I. History of This Rulemaking

Section 504(a)(19) of LSC's FY 1996 appropriations act required LSC recipients to enter into a contract that subjected them to "all provisions of Federal law relating to the proper use of Federal funds." Sec. 504(a)(19), Public Law. = 104-134, title V; 110 Stat. 1321. By its terms, a violation of Sec. 504(a)(19) renders any LSC grant or contract null and void. The provision has been incorporated by reference into each of LSC's annual appropriations act since. Accordingly, the preamble and text of this final rule continue to refer

to the relevant section number of the FY 1996 appropriations act.

The Corporation first issued 45 CFR part 1640 as an interim rule in 1996 to implement Sec. 504(a)(19). 61 FR 45760, Aug. 29, 1996. The interim rule was put in place to provide immediate guidance to LSC recipients on legislation that was already in effect and carried significant penalties for noncompliance. *Id.* In the preamble to the interim rule, LSC announced that it was interpreting the statutory phrase "all provisions of Federal law relating to the proper use of Federal funds" to mean "with respect to [a recipient's] LSC funds, all programs should be subject to Federal laws which address issues of waste, fraud and abuse of Federal funds." *Id.* LSC based its interpretation on legislative history that appeared to limit the applicable laws to those dealing with fraud, waste, and abuse of Federal funds.

In particular, LSC relied on two congressional documents to support its interpretation. First, the Corporation cited to the House Report for H.R. 2076, which was a prior effort to enact a provision similar to section 504(a)(19). The relevant language in that report stated:

[S]ection 504(20) requires all programs receiving Federal funds to comply with Federal statutes and regulations governing waste, fraud, and abuse of Federal funds.

H. Rep. No. 104-196, 104th Cong., 1st Sess. 116 (July 1995) (emphasis added). Second, LSC cited section 5 of H.R. 1806, the Legal Services Reform Act of 1995, which was an unsuccessful attempt to revise the LSC Act. As an extension of his remarks introducing H.R. 1806, Rep. McCollum submitted a partial summary of the bill, including a discussion of section 5 entitled "Application of waste, fraud, and abuse laws." 141 Cong. Rec. E1220-21 (daily ed. June 9, 1995). Section 5 itself was titled "Protection Against Theft and Fraud," and expressly included provisions of Title 18 of the U.S. Code pertaining to criminal offenses involving the misuse of Federal funds, as well as provisions of the False Claims Act. H.R. 1806, 104th Cong., § 5 (1995).

LSC adopted the list of statutes in section 5, with one exception. Through negotiation with LSC's Office of Inspector General (OIG), LSC determined that two other criminal statutes should be included in the list. 61 FR 45760, Aug. 29, 1996. These statutes prohibit bribery of public officials and witnesses and conspiracy to defraud the United States. *Id.* at 45761.

Minor changes to the interim rule, not affecting this list, were made before the