



At a Glance

The EPA Did Not Ensure that Two of the Largest Air Oversight Agencies Identified and Inspected Potentially Significant Sources of Air Pollution

Why We Did This Audit

We conducted this audit to determine whether U.S. Environmental Protection Agency oversight has ensured that state and local air agencies with large compliance-monitoring programs identify high-emitting synthetic-minor sources, known as SM-80s, in accordance with the EPA's *Clean Air Act Stationary Source Compliance Monitoring Strategy*.

The Clean Air Act is a federal law that regulates air emissions from stationary sources. It protects public health and welfare from air pollution. Pursuant to the Act, the EPA delegates authority to state, local, and tribal regulatory agencies to implement air compliance-monitoring programs. The EPA's *Clean Air Act Stationary Source Compliance Monitoring Strategy* provides these delegated agencies with a framework to identify and inspect the most significant sources of air pollution. The EPA's regional offices oversee the delegated agencies using this compliance-monitoring strategy and the EPA's state review framework.

To support these EPA mission-related efforts:

- *Improving air quality.*
- *Compliance with the law.*
- *Partnering with states and other stakeholders.*

To address this top EPA [management challenge](#):

- *Maximizing compliance with environmental laws and regulations.*

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What We Found

The Clean Air Act requires delegated agencies to work with the EPA to reduce air pollution from stationary sources. From at least 2006, the EPA did not ensure that two large, delegated agencies, the Texas Commission on Environmental Quality, or the TCEQ, and California's South Coast Air Quality Management District, identified a subset of synthetic-minor sources of air pollution, or SM-80s. The permit limitations on SM-80s need to be clear and enforceable because, if the limitations are not adhered to, the source may operate at major source levels and should be subject to more stringent requirements.

We requested source data from TCEQ and South Coast to determine whether there were sources of air pollution in their jurisdiction that met the EPA definition of an SM-80. The TCEQ said that it did not identify SM-80s because there are no statutory or regulatory requirements to track or report SM-80 information to the EPA. While South Coast provided a list of 109 sources that appeared to meet the EPA definition of an SM-80, South Coast said that these sources were not SM-80s and it was unaware of concrete direction from the EPA that what it called "conditionally exempt" sources should be characterized as SM-80s. We asked the EPA to verify that the sources we identified were SM-80s and, after numerous attempts, the EPA has not done so. We identified 18 sources in Texas and 109 in California that appeared to meet the EPA's definition of SM-80. Of those potential SM-80s in Texas, the TCEQ had not visited 11 of the 18, from 2017 through 2022, and South Coast had not visited 27 of the 109 from 2016 through 2021, which does not meet the EPA's expectation that SM-80s are inspected every five years, pursuant to the EPA's *Clean Air Act Stationary Source Compliance Monitoring Strategy*, known as CAA CMS.

In 2013, EPA Region 6 recommended that the TCEQ identify SM-80s. Region 9 did not investigate South Coast's claim that SM-80s did not exist and did not collect CAA CMS plans from South Coast from fiscal year 2008 through 2021. The EPA's Office of Enforcement and Compliance Assurance's lack of in-depth evaluations of Regions 6 and 9, lack of SM-80 requirements, and reliance on unenforceable guidance contributed to the regional offices' oversight deficiencies. Per the EPA, identifying and inspecting SM-80s are essential to focus resources on the most environmentally significant sources and ensure industry compliance; however, the EPA's lack of oversight of the TCEQ and South Coast potentially increased the public's risk of exposure to air pollution.

Delegated agencies need to identify and inspect SM-80s to protect public health.

Recommendations and Planned Agency Corrective Actions

We added a new recommendation and modified one recommendation based on Agency comments to the draft report and follow-on discussions between the Agency and the Office of Inspector General. We make nine recommendations to improve EPA oversight of state and local air agencies. The EPA concurred or concurred in principle with the recommendations but provided unresponsive corrective actions. All recommendations are unresolved and resolution efforts are ongoing.