

ENVIRONMENTAL PROTECTION AGENCY**40 CFR Part 268**

[No. F-97-TV2F-FFFFF; FRL-5932-5]

Clarification of Standards for Hazardous Waste Land Disposal Restriction Treatment Variances**AGENCY:** Environmental Protection Agency.**ACTION:** Final rule.

SUMMARY: EPA is today finalizing clarifying amendments to the rule authorizing treatment variances from the national Land Disposal Restrictions (LDR) treatment standards. The clarifying changes adopt EPA's longstanding interpretation that a treatment variance may be granted when treatment of any given waste to the level or by the method specified in the regulations is not appropriate, whether or not it is technically possible to treat the waste to that level or by that method. In response to comment, the Agency is indicating in the rule the circumstances when application of the national treatment standard could be found to be "inappropriate", specifically where the national treatment standard is unsuitable from a technical standpoint or where the national treatment standard could lead to environmentally counterproductive results by discouraging needed remediation.

In addition, EPA proposed to reissue the treatment variance granted to Citgo Petroleum under the clarified standard. The Agency is not taking further action on this part of the proposal because, due to changes in Citgo's remediation plans for its Lake Charles Louisiana facility, this particular variance has become moot. The Agency is consequently withdrawing the Citgo variance.

EFFECTIVE DATE: These final regulations are effective December 5, 1997.

ADDRESSES: The official record for this rulemaking is located at the RCRA Information Center at Crystal Gateway I, First Floor, 1235 Jefferson Davis Highway, Arlington, Virginia. The RCRA Information Center is open from 9:00 a.m. to 4:00 p.m., Monday through Friday, except Federal holidays. The Docket Identification Number for today's action is F-97-TV2F-FFFFF. Appointments to review docket materials are recommended.

Appointments may be made by calling (703) 603-9230. Individuals reviewing docket materials may copy a maximum of 100 pages from any one docket at no cost. Additional copies may be made at

a cost of \$0.15 per page. In addition, the docket index and some supporting materials are available electronically. See the **SUPPLEMENTARY INFORMATION** section for information on accessing electronic information.

FOR FURTHER INFORMATION CONTACT: For general information on RCRA, land disposal treatment variances, and this rule contact the RCRA Hotline, between 9:00 a.m. and 6:00 p.m. EST, Monday through Friday, except Federal holidays. The RCRA Hotline can be reached toll free on (800) 424-9346 or, from the Washington D.C. area, on (703) 412-9810. Hearing impaired can reach the RCRA Hotline on TDD (800) 553-7672 or, in the Washington D.C. area, on TDD (703) 412-3323. For detailed information on specific aspects of this rulemaking, contact Elizabeth McManus on (703) 308-8657.

SUPPLEMENTARY INFORMATION:**Accessing Today's Rule and Supporting Information Electronically**

Today's final rule, its docket index and the following supporting materials are available electronically and may be accessed through the Internet: To access these documents electronically: "Use of Site-Specific Land Disposal Restriction Treatability Variances Under 40 CFR 268.44(h) During Cleanups" U.S. EPA guidance memorandum from Michael Shapiro, Director EPA Office of Solid Waste and Steve Luftig, Director EPA Office of Emergency and Remedial Response, Jan. 8, 1997.

WWW: <http://www.epa.gov/epaoswer/hazwaste/ldr/ldr-rule.htm>

FTP: <ftp://ftp.epa.gov>

Login: anonymous

Password: your Internet address

Files are located in [/pub/epaoswer/hazwaste/ldr/ldr-rule.htm](http://pub/epaoswer/hazwaste/ldr/ldr-rule.htm).

Table of Contents

- I. Background
- II. Clarified Standard for Granting Treatment Variances
 - A. Clarification of "inappropriate" standard
 - B. Compliance With Statutory Provisions for LDR Treatment
- III. Responses to Comment
- IV. Withdrawal of Citgo Treatment Variance
- V. State Authorization
- II. Regulatory Requirements
 - A. Regulatory Impact Analysis Pursuant to Executive Order 12866
 - B. Regulatory Flexibility Analysis
 - C. Unfunded Mandates Reform Act
 - D. Submission to Congress and the General Accounting Office

I. Background

The essential requirement of the Land Disposal Restrictions (LDR) statutory provisions is that hazardous wastes

must not be land disposed until hazardous constituent concentrations in the wastes are at levels at which threats to human health and the environment are minimized, and land disposal is otherwise protective of human health and the environment. RCRA sections 3004 (d), (e), (g) and (m); 56 FR at 41168, August 19, 1991; 62 FR at 26062, May 12, 1997. These requirements normally are satisfied by prohibiting disposal of hazardous wastes until the wastes' hazardous constituent concentrations reflect the performance achievable by the Best Demonstrated Available Treatment technology (BDAT). 62 FR at 26062, May 12, 1997.

EPA recognized from the inception of the LDR program, however, that there would be circumstances when these technology-based treatment standards might not be either achievable or appropriate. Accordingly, EPA adopted a treatment variance provision (codified in 40 CFR 268.44; 51 FR at 40605-40606, Nov. 7, 1986) providing that:

Where the treatment standard is expressed as a concentration in a waste or waste extract and a waste cannot be treated to the specified level, or where the treatment technology is not appropriate to the waste, the generator or treatment facility may petition the Administrator for a variance from the treatment standard. The petitioner must demonstrate that because the physical or chemical properties of the waste differs significantly from the wastes analyzed in developing the treatment standard, the waste cannot be treated to [the] specified levels or by the specified methods.

A treatment variance takes the form of an alternative LDR treatment standard. Nationally applicable variances and site-specific variances that are approved using rulemaking procedures are codified in the Table to § 268.44, 40 CFR 268.44(o). Site-specific variances that are approved using non-rulemaking procedures are not codified.

As set out in more detail in the May 12 notice, EPA has interpreted the first sentence of the treatment variance provision as creating two independent tests under which treatment variance applications can be considered: first, where the waste in question cannot be treated to levels or by the methods established in the rules; and second, where such treatment may be possible but is nevertheless "not appropriate". 62 FR at 26059, May 12, 1997. EPA has further viewed the second sentence of the treatment variance provision—which refers to a demonstration that the waste differs chemically or physically from those the Agency analyzed in developing the standard—as applying only to the technical infeasibility part of the standard. 62 FR at 26059, May 12,

1997. However, EPA now recognizes that the existing rule, as drafted, might be read to require a demonstration that a waste is physically or chemically different along with a showing that it cannot be treated to a specified level or by a particular method whenever a treatment variance is sought, including situations where the otherwise applicable treatment standard is technically possible but, nonetheless, inappropriate. This was not EPA's intent, and EPA initiated this rulemaking to remove any drafting ambiguity in the rule.

II. Clarified Standard for Granting Treatment Variances

EPA is finalizing the proposed amendment to the rule, with two changes. First, EPA is clarifying the situations under which treatment variances may be approved because the otherwise applicable LDR treatment standard is "inappropriate." Second, the Agency is adding language that explicitly requires alternative LDR treatment standards approved through the treatment variance process to satisfy the requirement that treatment standards result in substantial treatment of hazardous constituents in the waste so that threats posed by the waste's land disposal are minimized, and also indicates that special considerations may arise in satisfying this standard if the waste is to be used in a manner constituting disposal.¹

A. Clarification of "Inappropriate" Standard

The Agency proposed amended language simply stating that a treatment variance could be granted if it is "inappropriate" to require treatment to

the level or by the method set out in the rules. 62 FR at 26081, May 12, 1997. In the preamble to the proposal, the Agency provided examples as to the situations when application of the otherwise applicable standard could be inappropriate. 62 FR at 26059–26060, May 12, 1997. In response to comment maintaining that the rule language was impermissibly open-ended, EPA has decided to include language codifying more particularly when a standard could be "inappropriate". These circumstances are drawn from EPA's practice in applying the existing rule and are consistent with the examples discussed in the preambles to the proposal and the HWIR-Media proposal. 61 FR at 18810, April 29, 1996.

The first circumstance is when imposition of BDAT treatment, while technically possible, remains unsuitable or impractical from a technical standpoint. The chief example is when a treatment standard would result in combustion of large amounts of mildly contaminated soil or wastewater. 55 FR at 8760 and 8761, March 8, 1990; 61 FR at 18806–18808, April 29, 1996 and other sources cited therein. The same reasoning could apply when media is contaminated with metal contaminants and also contains low levels of organic contaminants. In such a case, it may be inappropriate to require combustion treatment of the organic contaminants both because it may be inappropriate to combust media generally and because it may be inappropriate to combust wastes where metals are the chief hazardous constituent.² Another potential example of where treatment for organic contaminants may be technically inappropriate is when a waste contains low concentrations of non-volatile organic contaminants (for example, concentrations slightly exceeding a Universal Treatment Standard) and the waste, for legitimate reasons, has been stabilized. If the mobility of the non-volatile organic contaminants has been reduced, it might be inappropriate to require further treatment of the non-volatile organic contaminants. Cf. 61 FR at 55724, Oct. 28, 1996 where EPA made a similar finding. Still another example of a situation where the otherwise applicable LDR treatment standard is technically inappropriate could be a case where BDAT treatment could expose site workers to acute risks of fire or explosion and an alternative technology would not. 62 FR at 26060,

May 12, 1997. In all these types of circumstances, notwithstanding that it is technically possible to achieve the standard by using the best demonstrated available technology, it could be inappropriate to do so.

The second set of circumstances where treatment to the limit of best demonstrated available technology might be inappropriate involves cases where imposition of the otherwise applicable treatment standard could result in a net environmental detriment by discouraging aggressive remediation. The example EPA and authorized states have encountered most often to date is where federal rules allow the option of leaving wastes in place,³ and a facility then has the choice of pursuing the legal option of leaving the wastes in place or opting to excavate thereby triggering treatment to standards based on the performance of best demonstrated available technology, which can be very expensive. 62 FR at 26059, May 12, 1997, and other sources there cited.⁴ In these circumstances, a treatment variance can provide an intermediate option of more aggressive remediation, which may include substantial treatment of the removed waste before disposal of that treatment residue—a net environmental benefit over leaving untreated waste in place. 61 FR at 55720–22, May 12, 1997. In EPA's experience, this situation often occurs when BDAT treatment would require that wastes be treated to achieve constituent concentrations that fall below protective site-specific cleanup levels, thus increasing remediation costs for treatment of excavated wastes. In these instances, EPA has indicated that consideration of a treatment variance is typically warranted (because imposition of the otherwise applicable treatment standard would discourage aggressive remediation and is, therefore, inappropriate) and that, if a variance is approved, protective, site-specific cleanup levels may be used as

¹ EPA is also restoring language to 40 CFR 268.44(a) and (h) that was inadvertently deleted when EPA proposed this clarification and redrafting the introductions to both provisions. These changes are made to restore the inadvertently deleted text and to make the difference between national and site-specific variances more clear, as follows. The 40 CFR 268.44(a) national variance is waste-specific—it could apply to the same type of waste at numerous sites. National variances are obtained by petitioning the Administrator and, as set out in 40 CFR 268.44(b), petitions are processed using the procedures set out in 40 CFR 260.20. The 40 CFR 268.44(h) variance is site-specific—it applies only to a certain waste generated at a particular site. Site-specific variances are obtained by petitioning the Administrator, or the Administrator's delegated representative, or an authorized state. Petitions for site-specific variances are processed on a site-by-site basis and are not required to be processed using the procedures set out in 40 CFR 260.20. Further explanation on this issue is included in the Response to Comments Document for today's action in the response to comments submitted by the Department of Energy. EPA regards the restoration of inadvertently deleted language and the associated clarifications as a technical correction and may, thus, make the changes immediately in this final rule.

² Although it should also be noted that it is often routine and obviously appropriate to combust organic-contaminated hazardous wastes and to stabilize the combustion residues to reduce metal mobility; see, e.g. treatment standards for F024 wastes in 40 CFR 268.40.

³ Examples are where wastes can remain within an "area of contamination", where remedy selection requirements allow a balancing of treatment and containment strategies and where RCRA regulations allow the option of closing a regulated unit with wastes left in place.

⁴ Another recent example of such a treatment variance was granted to Dow Chemical Co. by EPA Region V. In this case, the company could legally leave wastes within an area of contamination but requested instead that the wastes be exhumed for more secure disposal in a subtitle C landfill. Viewing this as a net environmental benefit, and further finding that no other treatment but combustion was available to reduce the relatively low levels of hazardous constituents (chlorinated dibenzo-dioxins and furans), the Region found the existing treatment requirement inappropriate and granted the variance. Treatment Variance for Dow Chemical Co., June 10, 1997, Response to Comment Document pp. 15–17.

alternative LDR treatment standards. See recent EPA guidance on LDR treatment variances: Jan 8, 1997 memorandum, "Use of Site-Specific Land Disposal Restriction Treatability Variances Under 40 CFR 268.44(h) During Cleanups" from Michael Shapiro, Director EPA Office of Solid Waste and Steve Luftig, Director EPA Office of Emergency and Remedial Response and information on compliance with statutory provisions for LDR treatment, below. In addition, see "Hazardous Waste: Remediation Waste Requirements Can Increase the Time and Cost of Cleanups" U.S. General Accounting Office, GAO/RCED-98-4, October 1997.

EPA is accordingly codifying qualifying language stating that treatment variances can be granted where the underlying standard is not appropriate either because it is technically inappropriate or because requiring LDR treatment is environmentally inappropriate in that it could discourage aggressive remediation.

Finally, it must be remembered that this amended rule does not command issuance of treatment variances any more than the existing rule does. Like the existing rules, the amended rules set out circumstances when treatment variances may be considered. The actual determination of whether an otherwise applicable LDR treatment standard is "unachievable" or technically or environmentally "inappropriate" is a fact-specific determination depending largely on site-and waste-specific circumstances.

B. Compliance With Statutory Provisions for LDR Treatment

As stated in the proposal all treatment variances must be consistent with the root requirement of RCRA section 3004 (m): that treatment be sufficient to minimize threats to human health and the environment posed by land disposal of the waste. See 62 FR at 26060/1, May 12, 1997 ("alternative treatment standards [established by a treatment variance] must comply with the statutory standard of RCRA section 3004(m) by minimizing threats to human health and the environment"). In order to ensure that there is no ambiguity over application of this requirement in the context of alternative LDR treatment standards developed through the treatment variance process, EPA is adding regulatory language that explicitly requires the decision-maker to determine that a revised treatment standard is sufficient to minimize threats posed by land disposal. Cf. 61 FR at 55721, October 23, 1996 (finding

that alternate standard in treatment variance does minimize threats posed by land disposal). In making this determination, however, EPA (or authorized State) may consider risks posed by land disposal not only of the treated residue, but also the risks posed by the continuation of any existing land disposal of the untreated waste, that is, the risks posed by leaving previously land disposed waste in place. Thus, for example, in a remediation setting, it is appropriate (and likely necessary) to consider risks posed by leaving previously land disposed waste in place as well as risks posed by land disposal of the waste after it is removed and treated. Cf. 61 FR at 55721, October 28, 1996 (fact-specific determination that threats posed by land disposal are adequately minimized when treatment variance will lead to clean closure of large surface impoundment, substantial treatment of removed waste, and disposal of treatment residue in a subtitle C landfill) and 61 FR at 18808, April 29, 1996, and other sources cited therein (determination that the policy considerations which argue for BDAT as the basis for technology-based standards for as-generated wastes do not always support a BDAT approach in the remediation context).

In addition, when making a determination as to whether the statutory provisions for LDR treatment have been satisfied, EPA may, of course, condition any particular variance to apply only in certain circumstances if the facts warrant. There is, at least, one potentially recurring circumstance when such conditioning may be warranted for treatment variances. Under current regulation, hazardous waste-derived products can be used in a manner constituting disposal provided the waste meets the LDR treatment standards. 40 CFR 266.23. The exemption was premised on findings that hazardous wastes would meet requirements reflecting rigorous treatment which typically destroys, removes, or immobilizes hazardous constituents to the limit of available technology. 53 FR at 31198, August 17, 1988. In order to ascertain whether this exemption is still justifiable for wastes which receive treatment variances on the ground that the treatment standard is inappropriate, EPA is noting that as part of a determination of whether threats are minimized under the circumstances, consideration should be given to whether this exemption should continue to apply.⁵ This would entail a

⁵ As EPA explained in the May 12, 1997, **Federal Register** notice, however, remediation activities involving replacement of treated soils or other

fact-specific determination, and notice as to how the determination might be made would have to accompany each such treatment variance. For example, in situations where the decision-maker determines that use of a product derived from hazardous waste in a manner constituting disposal would likely not be adequately protective even if that hazardous waste derived product complied with an alternative land disposal treatment standard established through a treatment variance, the treatment variance approval could include a condition that restricted use of the treated hazardous waste in a manner constituting disposal.

EPA also notes that the Subpart CC rules, relating to control of air emissions from tanks, containers, and surface impoundments managing hazardous waste, state that if a waste has met the LDR treatment standard set out in 40 CFR 268.40 (the generally-applicable treatment standards, normally the Universal Treatment Standards), the waste is not subject to further Subpart CC controls.⁶ See 40 CFR 264.1082 (c) (4) and 265.1082 (c) (4) and 61 FR at 59941, November 25, 1996. The limitation to wastes that have achieved the generally-applicable treatment standard in fact means that the exemption is unavailable to wastes receiving treatment variances that alter the generally-applicable standards for organic hazardous constituents. EPA is confirming here that this literal reading is intentional.

III. Responses to Comment

Most comments supported the Agency's proposal, or suggested that there was no need to clarify the standard in the existing rule. The main negative comment came from the Environmental Defense Fund, raising a number of points.

First, the commenter argued that the Agency's own closure rules for impoundments create the environmentally adverse incentive to leave wastes in place and thus create the dilemma to adopt alternative treatment standards. The comment urges

wastes onto the land is not a type of use constituting disposal. The activity is a type of supervised remediation, and is not the type of unsupervised recycling activity covered by the use constituting disposal provisions. 62 FR at 26063, May 12, 1997.

⁶ It should be noted that the Subpart CC standards do not apply to waste management units used solely for on-site treatment or storage of hazardous waste that is generated as the result of remedial activities required by RCRA corrective action authorities, CERCLA authorities, or similar Federal or State authorities. See 40 CFR 264.1080 (b) (5) and 265.1080 (b) (5).

amendment of the closure standards for impoundments.

While it is correct that the closure rules for surface impoundments (and landfills) create more opportunities to close with wastes left in place than do closure standards for tanks, piles, containment buildings, and drip pads, EPA did not, and is not, reopening any of the closure standards in this proceeding.⁷ In developing the standards for closure of surface impoundments, EPA allowed the option of leaving wastes in place because of the practical difficulties of removing large volumes of waste from impoundments, many of which had been operating over long periods of time, and the recognition that, when properly capped, some former surface impoundments can safely contain wastes during and after post-closure care. 47 FR at 32320 and 32321, July 26, 1982. EPA also required, in the closure performance standards, that releases must be minimized or controlled at units where waste is left in place. 47 FR at 32320 and 32321, July 26, 1982. In situations where such minimization or control is not achievable, the closure performance standard would not be met and closure with waste in place would not be available under the regulations. In these respects, EPA's closure regulations for surface impoundments are identical to those for landfills, where waste is purposefully disposed of in the land-based units. EPA is re-evaluating the relationship between requirements for closure of regulated units, including surface impoundments, and requirements for RCRA corrective action and will take this comment under consideration during the re-evaluation. In the meantime, the Agency nevertheless intends to act now in order to assure that the treatment variance option continues to provide a potential intermediate alternative between full removal of waste followed by treatment to the extent of best demonstrated technology on the one hand and no waste removal at all on the other.

Second, the commenter argued that the circumstances under which treatment variances could be approved based on the "inappropriate" standard were not adequately defined. The commenter then went on to note that

⁷The rules for most regulated units in essence require clean closure, with wastes being allowed to be left in place only after a showing that wastes remaining after initial removal and decontamination cannot be practically removed or decontaminated. See e.g., closure standards for piles in 40 CFR 265.258. The closure rules for impoundments and landfills do not contain these provisions, but rather provide alternative standards for closing with wastes in place or for clean closure. See, e.g., 40 CFR 265.228.

most of the situations in which the Agency contemplated using the "inappropriate" standard occurred in the remediation setting and suggested that the Agency either wait until completion of the ongoing rulemaking relating to management of contaminated environmental media, or limit the scope of the variance to remediation situations.⁸

EPA has addressed the comments regarding the specificity of the "inappropriate" standard by adding clarifying language, based on discussion in May 12, 1997 proposal, to the final regulations as discussed above. Regarding the second part of this comment, EPA does not believe it should await the outcome of the HWIR-Media proceeding to finalize the clarifying amendment to the treatment variance rules. EPA also notes that nothing in this rule forecloses any of the actions proposed in the HWIR Media proposal, including further definition of situations where treatment variances are appropriate—for example, codification of the type of "minimize threat" variance determination discussed in the HWIR-Media proposal. 61 FR at 18810–18812, April 29, 1996. The Agency is continuing to evaluate and review comments on this part of the HWIR-Media proposal.

The Agency is persuaded by the commenter's observation regarding use of treatment variances in the context of remediation. Accordingly, in response to this comment, EPA has chosen to expressly limit approval of treatment variances using the "environmentally inappropriate" test to remediation wastes. In this context, remediation waste includes all solid and hazardous wastes and all media (including groundwater, surface water, soils and sediments) and debris, which contain listed hazardous waste or which themselves exhibit a hazardous waste characteristic when such wastes are generated during remediation, such as RCRA corrective action, CERCLA cleanup, and cleanup under a state program. This definition is consistent with the existing definition of remediation waste in 40 CFR 260.10 except that it is not limited to wastes generated for purposes of corrective action under 40 CFR 264.101 or RCRA Section 3008(h). Since site-specific land disposal restriction treatment variances will undergo review and approval by either EPA or an authorized state, EPA does not believe it is necessary to limit

⁸EPA proposed regulations addressing contaminated media at 61 FR 18780, April 29, 1996 and has not yet taken final action on this proposal.

the eligible wastes to corrective action cleanups.

Finally, the commenter went on to argue that the open-ended proposal effectively reopened the question of whether site-specific treatment variances (40 CFR 268.44 (h)) could be issued without going through notice-and-comment rulemaking, the argument being that each such variance would establish a new criterion for what "not appropriate" means.

Site-specific treatment variances can be granted without using rulemaking procedures. 53 FR at 31199–31200, August 17, 1988. EPA did not reopen this issue in this proceeding, which just is adopting clarifying amendments which reflect EPA's longstanding practice and interpretation of the treatment variance rules. 62 FR at 26059, May 12, 1997. However, to ensure there is no ambiguity over the application of treatment variances, EPA is restoring language to 268.44(h) indicating that the alternative LDR treatment standards established through the treatment variance process are site-specific. This language has always been part of 268.44(h) and was inadvertently omitted in the proposal of this clarifying rule. In any case, the amendment adopted today contains explicit qualifying language so that whatever basis, if any, existed for the commenter's argument is no longer present.

The same commenter, in oral conversations with Agency officials as well as in public comments, maintained the importance of allowing opportunity for public participation whenever a site-specific treatment variance is being considered. These opportunities are already provided. The Agency stated in 1988, when adopting 40 CFR 268.44(h), "[t]he Agency agrees as a matter of policy to allow opportunity for public notice and comment prior to granting a nonrulemaking variance from the treatment standard. Because circumstances under which one might apply for a site-specific variance vary, vehicles for public comment will be specified on a case-by-case basis." 53 FR at 31200, August 17, 1988. In response to this commenter's concerns, however, EPA has decided to indicate in the rule that opportunity for public participation must be provided when granting or denying any site-specific treatment variance. In doing so, the Agency is simply repeating in the rule what it wrote in the August 1988 preamble. The Agency does not view this step as creating a new regulatory requirement or altering existing practice and, by adding the August 1988 preamble language to the rule, is not intending to

reopen the issue (settled in 1988) of whether site-specific treatment variances can be approved or denied without going through rulemaking procedures.

IV. Withdrawal of Citgo Treatment Variance

EPA granted a treatment variance to Citgo Petroleum on October 28, 1996 for wastes presently disposed in a large surface impoundment awaiting closure. 61 FR 55718, October 28, 1996. Because the company had the legal option of closing the impoundment with waste in place (assuming the technical standards for such closure could be justified), and was virtually certain to pursue that option if treatment of the waste to the limit of best demonstrated technology was required, EPA found that it was an environmentally superior result to assure clean closure and partial treatment. *Id.* at 55721. The variance was in essence used as an incentive to assure aggressive clean closure and the associated waste treatment. EPA, as part of the May 12 notice, proposed to reissue the variance under the clarified regulatory standard. 62 FR at 26062–26061, May 12, 1997.

Since the variance was granted, Citgo has chosen to pursue the legal option of seeking to close the impoundment with waste left in place. Because of Citgo's decision, EPA believes there is no longer any basis for the Citgo treatment variance. If the company's application for closure in place is granted, the variance is moot. If the application is not granted, then the company will have to clean close the impoundment and it will not be necessary to use the variance to create a voluntary incentive for them to do so. Thus, in either case, the basis for granting the variance no longer exists. Accordingly, EPA is withdrawing the Citgo treatment variance in today's Notice. Citgo is aware of the Agency's thinking, has discussed the issue with EPA, and agrees not to oppose withdrawal of the variance.

V. State Authorization

Under section 3006 of RCRA, EPA may authorize qualified States to administer and enforce the RCRA program within the State. Following authorization, EPA retains enforcement authority under sections 3008, 3013, and 7003 of RCRA, although authorized States have primary enforcement responsibility. The standards and requirements for authorization are found in 40 CFR part 271.

Today's rule is being promulgated pursuant to section 3004(m) of RCRA (42 U.S.C. 6924(m)), a provision added

by HSWA.⁹ Therefore, the Agency is adding today's rule to Table 1 in 40 CFR 271.1(j), which identifies the Federal program requirements that are promulgated pursuant to HSWA. States may apply for final authorization for the HSWA provisions in Table 1, as discussed in the following section of this preamble.

EPA originally indicated that states could not be authorized to review and approve national treatment variances pursuant to 40 CFR 268.44(a) because such variances could result in nationally-applicable standards for a new waste treatability group. 52 FR at 25783, July 8, 1987. In the HWIR-Media proposal, EPA clarified that states could seek authorization to review and approve site-specific treatment variances pursuant to 40 CFR 268.44(h). 61 FR at 18828, April 29, 1996.

The site-specific variance provision is less stringent than the generally applicable LDR program (i.e., the underlying treatment standard from which a variance is sought). Since today's final rule clarifies the existing regulations, for authorization purposes it is considered as stringent as, but no more stringent than the existing site-specific variance regulations. Thus, states are not required to adopt regulations equivalent to 268.44(h) either in its current form or in the clarified form promulgated today. Although States are not required to adopt regulations for site-specific LDR treatment variances, EPA strongly encourages States to adopt and become authorized for the clarified standards established today and is committed to expediting the state authorization process for this rule. In the meantime, EPA will continue to review and approve (as appropriate) treatment variance applications in all States.

VI. Regulatory Requirements

A. Regulatory Impact Analysis Pursuant to Executive Order 12866

Executive Order No. 12866 requires agencies to determine whether a regulatory action is "significant." The Order defines a "significant" regulatory action as one that "is likely to result in a rule that may: (1) have an annual effect on the economy of \$100 million or more or adversely affect, in a material way, the economy, a sector of the economy, productivity, competition,

jobs, the environment, public health or safety, or State, local, or tribal governments or communities; (2) create serious inconsistency or otherwise interfere with an action taken or planned by another agency; (3) materially alter the budgetary impact of entitlements, grants, user fees, or loan programs or the rights and obligations of recipients; or (4) raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in the Executive Order."

The Agency considers today's final rule to be nonsignificant as defined by the Executive Order and therefore not subject to the requirement that a regulatory impact analysis has to be prepared. Today's rule clarifies and codifies, in regulatory language, existing EPA standards for the application of a treatability variance where the treatment standard is not appropriate for the restricted waste subject to the standard. Thus, because today's rule clarifies and codifies existing EPA interpretation of the treatability variance provision, no incremental costs are associated with this rulemaking.

B. Regulatory Flexibility Analysis

Pursuant to the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*, as amended by the Small Business Regulatory Enforcement Fairness Act of 1996 [SBREFA]) whenever an agency is required to publish a notice of rulemaking for any proposed or final rule, it must prepare and make available for public comment a regulatory flexibility analysis that describes the effect of the rule on small entities (i.e., small businesses, small organizations, and small governmental jurisdictions). However, no regulatory flexibility analysis is required if the head of an agency certifies the rule will not have a significant adverse economic impact on a substantial number of small entities.

SBREFA amended the Regulatory Flexibility Act to require Federal agencies to provide a statement of the factual basis for certifying that a rule will not have a significant economic impact on a substantial number of small entities. The following discussion explains EPA's determination.

EPA has codified regulatory language in today's rule that petitioners of restricted wastes that wish to obtain a treatment variance do not have to show technical infeasibility when the treatment technology is not appropriate to the waste. This regulatory language clarifies long standing and current Agency interpretation of the 268.44 that the two tests of technical infeasibility and inappropriateness are independent.

⁹ Under RCRA section 3006(g) (42 U.S.C. 6926(g)), new requirements and prohibitions imposed by HSWA take effect in authorized states at the same time that they take effect in unauthorized states. EPA is directed to carry out these requirements and prohibitions in all states, including the issuance of permits, until the state is granted authorization to do so.

(See above discussion and 61 FR 55718 at 55720-21, October 28, 1996; 53 FR at 31200, August 17, 1988; 55 FR 8666 and 8760, March 8, 1990; 61 FR 18780 and 18811, April 29, 1996.) Because this regulatory language codifies existing EPA interpretation of current regulations, it imposes no costs or economic impacts on small entities applying for treatability variances.

Because this clarification does not impose an adverse economic impact to any small entity that is either generator of restricted waste or an owner/operator of a treatment, storage or disposal facility managing such waste that is petitioning the Agency for a variance from the treatment standard, I hereby certify that this rule will not have a significant adverse economic impact on a substantial number of small entities. This rule, therefore, does not require a regulatory flexibility analysis.

C. Unfunded Mandates Reform Act

Under Section 202 of the Unfunded Mandates Reform Act of 1995, signed into law on March 22, 1995, EPA must prepare a statement to accompany any rule where the estimated costs to State, local, or tribal governments in the aggregate, or to the private sector, will be \$100 million or more in any one year. Under Section 205, EPA must select the most cost-effective and least burdensome alternative that achieves the objective of the rule and is consistent with the statutory requirements. Section 203 requires EPA to establish a plan for informing and advising any small governments that may be significantly impacted by the rule.

Because this regulatory language codifies current EPA interpretation of existing treatability variance language and thus imposes no costs, EPA has determined that this rule does not include a Federal mandate that may result in estimated costs of \$100 million or more to either State, local, or tribal governments in the aggregate. As stated above, the private sector is not expected to incur costs exceeding \$100 million. EPA has fulfilled the requirement for analysis under the Unfunded Mandates Reform Act.

D. Submission to Congress and the General Accounting Office

Under 5 U.S.C. 801(a)(1)(A) as added by the Small Business Regulatory Enforcement Fairness Act of 1996, EPA submitted a report containing this rule and other required information to the

U.S. Senate, the U.S. House of Representatives and the Comptroller General of the General Accounting Office prior to publication of the rule in today's **Federal Register**. This rule is not a "major rule" as defined by 5 U.S.C. 804(2).

List of Subjects in 40 CFR Part 268

Environmental protection, Hazardous waste, Reporting and recordkeeping requirements.

Dated: December 1, 1997.

Carol M. Browner,
Administrator.

For the reasons set out in the preamble, title 40, chapter 1 of the Code of Federal Regulations is amended as follows:

PART 268—LAND DISPOSAL RESTRICTIONS

1. The authority citation for part 268 continues to read as follows:

Authority: 42 U.S.C. 6905, 6912(a), 6921, and 6924.

2. Section 268.44 is amended to revise paragraphs (a) and (h), add paragraph (m), and remove paragraph (p) as follows:

§ 268.44 Variance from a treatment standard.

(a) Based on a petition filed by a generator or treater of hazardous waste, the Administrator may approve a variance from an applicable treatment standard if:

(1) It is not physically possible to treat the waste to the level specified in the treatment standard, or by the method specified as the treatment standard. To show that this is the case, the petitioner must demonstrate that because the physical or chemical properties of the waste differ significantly from waste analyzed in developing the treatment standard, the waste cannot be treated to the specified level or by the specified method; or

(2) It is inappropriate to require the waste to be treated to the level specified in the treatment standard or by the method specified as the treatment standard, even though such treatment is technically possible. To show that this is the case, the petitioner must either demonstrate that:

(i) Treatment to the specified level or by the specified method is technically inappropriate (for example, resulting in combustion of large amounts of mildly contaminated environmental media); or

(ii) For remediation waste only, treatment to the specified level or by the specified method is environmentally inappropriate because it would likely discourage aggressive remediation.

* * * * *

(h) Based on a petition filed by a generator or treater of hazardous waste, the Administrator or his or her delegated representative may approve a site-specific variance from an applicable treatment standard if:

(1) It is not physically possible to treat the waste to the level specified in the treatment standard, or by the method specified as the treatment standard. To show that this is the case, the petitioner must demonstrate that because the physical or chemical properties of the waste differ significantly from waste analyzed in developing the treatment standard, the waste cannot be treated to the specified level or by the specified method; or

(2) It is inappropriate to require the waste to be treated to the level specified in the treatment standard or by the method specified as the treatment standard, even though such treatment is technically possible. To show that this is the case, the petitioner must either demonstrate that:

(i) Treatment to the specified level or by the specified method is technically inappropriate (for example, resulting in combustion of large amounts of mildly contaminated environmental media where the treatment standard is not based on combustion of such media); or

(ii) For remediation waste only, treatment to the specified level or by the specified method is environmentally inappropriate because it would likely discourage aggressive remediation.

(3) Public notice and a reasonable opportunity for public comment must be provided before granting or denying a petition.

* * * * *

(m) For all variances, the petitioner must also demonstrate that compliance with any given treatment variance is sufficient to minimize threats to human health and the environment posed by land disposal of the waste. In evaluating this demonstration, EPA may take into account whether a treatment variance should be approved if the subject waste is to be used in a manner constituting disposal pursuant to 40 CFR 266.20 through 266.23.

* * * * *