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| **From:** | Koprowski.Paul@epamail.epa.gov |
| **To:** | CARLOUGH Les; ROOT Jenny |
| **Cc:** | HOUGH Merlyn; Downey.Scott@epa.gov |
| **Subject:** | RE: Advisory Committee Meeting follow up |
| **Date:** | Thursday, December 27, 2012 11:56:01 AM |
| **Attachments:** | revisionpenaltypolicy04910.pdf<br>2004penaltymod-memo.pdf<br>amendmentstopenaltypolicies-implementpenaltyinflationrule08.pdf |

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Les and Jenny,

At the first advisory committee meeting there was much discussion about whether or not to increase the DEQ base penalty amounts used in the civil penalty matrix as a result of legislation that provided authority to increase the maximum daily penalty amount to $25,000. There were several suggestions put on the table at the meeting ranging from not adjusting the penalty matrix to adjusting the matrix relative to the percent increase in the maximum amount to adjusting it somewhere in between.

The purpose of the message is to share information about how federal agencies are required to adjust civil penalty amounts for inflation. Providing these federal guidelines may help the group decide on a basis for how an inflationary increase could be calculated in Oregon. A link to EPA's methodology for routinely increasing base penalty amounts for inflation may provide a predictable inflationary scale so that penalties will continue to have a deterrent effect on future violations in Oregon.

In February 2004 EPA promulgated a rule titled "Adjustment of Civil Penalties for Inflation and implementing the Debt Collection Improvement Act(DCIA) of 1996." The primary purpose of the DCIA is to "preserve the deterrent effect of civil statutory penalty provisions by adjusting them for inflation." The DCIA provided federal agencies with a mechanism to routinely review and adjust civil penalty provisions for inflation. EPA has acted three times on this regulation. Once in 2004, a second time in 2008 and most recently in 2010. Attached below are copies of these memorandum for your information.

These three memorandum provide "inflation adjustment multiplier's" the EPA uses in calculating/adjusting civil penalties for inflation and instructions to EPA on how to impose these guidelines when calculating civil penalties. Also below is a link to the EPA enforcment office webpage titled "Policy, Guidance and Publications" where you'll find copies of the memorandum and other documents pertaining to EPA civil penalty policy.

http://www.epa.gov/enforcement/documents/index.html

Please let me know if you have any questions about these regulations or policy including how they are implemented by our agency. Also, can you please forward this informational messsage to the advisory group members as I do not have all of their email addresses.

Regards,

Paul

*(See attached file: revisionpenaltypolicy04910.pdf)(See attached file: 2004penaltymod-memo.pdf)(See attached file: amendmentstopenaltypolicies-implementpenaltyinflationrule08.pdf)*

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