RA BRIEF
FLORIDA ASSUMPTION OF STATE 404 PROGRAM

Date Updated: 02/13/2020 **Date Original Prepared:** 8/8/2018 **Priority:** 3

EPA Goal Supported: Cooperative Federalism, Rule of Law and Process

Issue: 404 Assumption by the State of Florida

Location: State of Florida

6 Components of Assumption Package and estimated percentages of completion
- Letter from Governor requesting program approval (0%)
- Complete program description (30%)
- Attorney General's statement (80%)
- EPA/DEP MOA (85%)
- Corps/DEP MOA (75%)
- Copies of all applicable state statutes and regulations, including those governing applicable state administrative procedures (70%)

Context:
1. Involved Parties: EPA, Corps, USFWS, NMFS, FDEP.
2. Interested parties: Florida Governor, the White House, other states, media, and various stakeholders (mining, developers, Tribes, environmental NGOs).
3. Florida is working on an official request to assume administration of a CWA section 404 program. Before making their request, Florida must pass a rule that will set up the required program elements. The Florida rulemaking timeline and possible legal challenges to that rulemaking, resolution of ESA coordination processes, and finalizing the Corps/FDEP MOA which identifies which waters the state will assume and which waters the Corps will retain, are currently driving the timeline.
4. Key outstanding issues include: Ex. 5 Deliberative Process (DP)

Ex. 5 Deliberative Process (DP)

5. EPA continues to work with Florida and other stakeholders to address issues and finalize documents (e.g., Memoranda of Agreement) necessary for FL to complete its assumption package.

Critical Messages:
1. EPA is prepared to begin our review immediately upon receipt of a package from Florida (i.e., drafted Federal Register Notice for public review and comment period and a public hearing, transmittal letters to other federal agencies, Tribal consultation letters, etc.).
2. Assisting FDEP with the development of a 404 assumption program remains a high priority for Region 4. EPA staff are actively communicating with Florida staff to help ensure the State's process for submission and EPA's review process will be conducted as efficiently as possible.

3. Legal challenges to the currently proposed state rule could delay Florida's timeline for submittal. Florida staff have indicated they intend to proceed with a Notice of Proposed Rule as the next step in their rulemaking process for 404 assumption. If FDEP submits a package prior to the rule being deemed lawfully adopted the package would not meet the requirements of a complete package.
4. Upon receipt of a complete request package, EPA's 120-day statutory review must include a public hearing, a 45-day public comment period, and consideration of comments received from the public, USACE, USFWS, and NMFS.
5. Some stakeholders are interested in using ESA § 7 consultation where threatened and endangered species may be impacted, but § 7 is only triggered by federal agency actions. Region 4 staff drafted language now incorporated in the EPA-FDEP MOA regarding coordination procedures for proposed 404 projects for which there is a reasonable potential for federally listed species to be impacted. HQ has drafted a five-agency MOA (EPA, DOI/FWS, FDEP, NMFS, and USACE) to address ESA coordination (OGC lead). Consideration of the path forward now rests at high levels within EPA (Deputy GC) and DOI. If EPA and DOI can reach agreement on the MOA, the next step would be to discuss with Florida.
6. Florida and the Corps of Engineers are negotiating a memorandum of agreement, which among other things will identify the River and Harbors Act Section 10 waters to be retained by the Corps of Engineers and the administrative boundary for adjacent wetlands to such waters. The Corps has provided FDEP with a draft Retained Waters List, which was shared with EPA. EPA, FDEP, and the Corps had a call on May 9 where the parties discussed the Corps' recent edits to the Enforcement section of the FDEP/Corp MOA and the draft Retained Wates List and GIS Layer. The EPA team participated in a follow-up call with FDEP on May 30 and agreed that a specific edit suggested by the Corps would provide a helpful clarification regarding the Enforcement section of the FDEP/Corps MOA. In addition, FDEP intends to discuss with the Corps whether an additional provision regarding the coordination and sharing of enforcement data and information will be beneficial to include in the FDEP/Corps MOA.
7. The Clean Water Act specifically limits state-issued 404 permits to fixed terms no longer than five years. However, there is significant interest in determining how to review projects that by their nature have durations greater than five years. For Corps-issued 404 permits of more than five years, EPA has in the past sought periodic review (e.g., every five years) of ongoing activities. FDEP's draft rule 62-331 addresses this with long-term planning review required for the first permit proposed for large projects.
8. Florida has developed implementation procedures regarding their process for delineating wetlands, which provides clarity regarding the relationship between waters of the state and waters of the United States. With the most recent revision, FDEP staff addressed EPA concerns; they plan to incorporate the implementation strategy into the program description component of their request submittal. EPA is reviewing a draft comparison of federal and state delineation methods received from FDEP on 8/13.
9. On March 1, Assistant Administrator for the Office of Water, David Ross, sent FDEP Secretary Noah Valenstein a letter notifying FDEP that EPA is committed to working expeditiously with FDEP to finalize the EPA/FDEP MOA and review the 404 assumption package as soon as the state submits it. Assistant Administrator Ross also offered to update FDEP on EPA's ongoing discussions with DOI regarding ESA issues raised by the state and stakeholders. On October 1, State Representative Tobin Overdorf sent Administrator Wheeler a letter asking for a clear and timely roadmap for Florida to resolve ESA issues. The correspondence has been controlled to OWOW for a response.
10. **Ex. 5 Deliberative Process (DP)**

Ex. 5 Deliberative Process (DP)

11. During a State/Tribal/EPA 401 Workshop held on 10/23/2019, FDEP shared with EPA and the other states that two big issues remain prior to proceeding with 404 assumption: ESA and enforcement. OWOW has requested to brief the front office on the criminal enforcement topics.

Considerations:

Components of FDEP's draft assumption package not yet shared with the EPA

1. EPA understands that FDEP intends to share some draft documents with EPA for informal review ahead of package submission, which we believe may include the following:
    a. Draft letter from the Governor;
    b. Draft complete program description (e.g., resources needed to administer the program, updated regulatory cross-walk (updated draft shared on 8/8/19), final delineation implementation strategy (draft shared 8/13/19). Some components of the program description such as copies of permit application forms and reporting forms were submitted to EPA along with updated draft regulations 62-330 and 62-331 on 8/8/19.
    c. Draft Attorney General Statement (draft shared on Sep 6);
    d. Updated version of draft MOA between the State and the Corps; and
    e. Updated version of the rules that FDEP intends to use to implement the program (most recent draft 8/8/19); EPA and FDEP discussed initial clarifying questions on 8/27 and 9/24).
2. The next FDEP-EPA in-person meeting is scheduled for the March 4-5 2020.

EPA-Florida MOA

1. During meetings in Tallahassee on September 5-7, and via communications since then, FDEP agreed to include minor revisions (to bring the MOA into closer alignment with federal regulations) and EPA's proposed ESA language, with the exception of a sentence that acknowledged that the Corps may designate FDEP as a non-Federal representative for the purposes of informal ESA consultation.
2. FDEP shared copies of the revised draft MOA with the Corps, the U.S. Fish and Wildlife Service, and the National Marine Fisheries Service between Sep 14 and 18.
3. OGC proposed edits to the draft MOA, which were transmitted by the RA to FDEP on Nov 2. Additional changes regarding the ESA language may ultimately be needed, depending on the outcome of the five-way MOA that is under development.
4. In the event that additional revisions to the MOA may be warranted as FDEP proceeds with developing its assumption program, particularly regarding ESA coordination, EPA staff recommend that the MOA should not be signed until the State is closer to having a complete package that is ready to submit.
5. During the biweekly assumption call with FDEP on March 26, FDEP staff shared that the House chamber of the Florida legislature has drafted a "House Memorial" that "urges" the U.S. Congress "to direct the United States Environmental Protection Agency to issue a memorandum of agreement by July 1, 2019, so Florida may complete the assumption of a section 404 dredge and fill permitting program under the federal Clean Water Act." The memorial does not have to be signed by the governor and does not have the force of law, but instead is a mechanism to formally petition the federal government to act. It appears from the Florida Senate bill tracker that the memorial has been "indefinitely postponed and

withdrawn from consideration" and has "died in rules." (see [HYPERLINK "https://www.flsenate.gov/Session/Bill/2019/00799" \h]).

Corps-Florida MOA

1. FDEP received an updated draft Retained Waters List and GIS layer from the Corps, which were shared with EPA and are currently under review.
2. The most recent version of the MOA addresses responsibility for making modifications to currently active Corps permits in assumed waters, which potentially has implications for the long-term (i.e., > 5-year) permits issued by the Corps. The Corps would be responsible for administrative modifications and FDEP would be responsible for any modification that changes the scope of discharge or impacts.
3. The draft MOA now provides clarity that permits are required for civil works projects in assumed waters that are not subject to 404(r).
4. OGC drafted revisions to the Corps-Florida MOA in coordination with R4 and OW staff. The EPA transmitted the suggested revisions to FDEP on Nov 2 and to the Corps on Nov 8, 2018. FDEP staff asked EPA staff for clarification on some of the suggested revisions but did not express any opposition or preference regarding EPA's recommendations. EPA staff received a copy of the FDEP/Corps MOA from FDEP staff with the Corps' suggested edits on 3/14/19. These edits were reviewed by the EPA assumption team and forwarded to management with a summary of edits of interest, which impact ESA coordination, on 3/19/19.
5. The EPA Team had some questions regarding the Corps' recent edits to the Enforcement section of the FDEP/Corp MOA as well as the draft Retained Wates List and GIS Layer. EPA, FDEP, and the Corps had a call on May 9 where EPA's questions were discussed. The EPA team participated in a follow-up call with FDEP on May 30 and agreed that a specific edit suggested by the Corps would provide a helpful clarification regarding the Enforcement section of the FDEP/Corps MOA. Based on the latest draft of the MOA received from FDEP on 7/19/19, this edit had not been made. On the July 24th call FDEP staff asked for this edit language to be sent to them again which EPA staff emailed later that day. In addition, FDEP intends to discuss with the Corps whether an additional provision regarding the coordination and sharing of enforcement data and information will be beneficial to include in the FDEP/Corps MOA.

Expanded Facts:

1. A complete assumption package must include:
    - Letter from the Governor requesting the program
    - A complete program description (e.g., regulatory cross-walk, wetland delineation methodology)
    - Attorney General Statement, or a statement from the attorney for those State or interstate agencies which have independent legal counsel (likely FDEP General Counsel)
    - Memorandum of Agreement between the State and EPA
    - Memorandum of Agreement between the State and the Corps
    - Copies of all applicable State statutes and regulations

Timelines

2. FDEP has changed the rule language regarding long-term planning, and in response to EPA comments provided. The draft rule is awaiting signature by FDEP's Secretary Valenstein, which will be followed by review by the Governor's OFARR. EPA staff understand that the draft rule has been with the FDEP

Secretary since October 2018. The publication of the NOPR would initiate the three-week public comment period (to be followed by a week for a public hearing). FDEP staff have indicated that the publication of the NOPR may occur as soon as the week of 2/10/20. They also told EPA staff a copy of the revised proposed rule would be submitted to EPA on 2/12/20.

3. Legal challenges to Florida's rule are generally viewed as likely, which could add 60 days for a single challenge to several months for multiple challenges.
4. EPA has 120 days to review a state's assumption request. **This includes a requirement for **at least a 45-day public comment period** after Federal Register notification, and **at least one public hearing**.**

    EPA receives state's request to assume program
    EPA determines program submission is complete & so notifies state
    EPA provides copies of State's submission to Corps, FWS, & NMFS (HQ & regional)
    - Corps, FWS, & NMFS comments due within 90 days

    EPA initiates consultation with tribes per Executive Order (timeline not specified)
    Notices of complete application: Federal Register, newspapers, interested parties
    - FR Notice triggers 45-day public comment period
    - Public hearing(s) 30+ days after FR Notice publication
    - ****Florida has requested in writing that EPA hold multiple public hearings.****

    EPA reviews & considers comments received.
    - Prepares summary of significant comments, response to such comments
    - Responds individually to comments from Corps, FWS, & NMFS

    If EPA approves, notify state & publish approval in Federal Register

ESA

5. ESA § 7 consultation is triggered by federal agency actions. Incidental take *statements* are a possible outcome of § 7 consultation (vs. incidental take *permits* under § 10 procedures, which are triggered by non-federal actions).
6. Only a federal Service (FWS or NMFS) can issue biological opinions and incidental take statements (under ESA § 7) or permits (under ESA § 10).
7. Under ESA § 7 regulations a federal action agency may designate a non-federal representative to conduct informal consultation or prepare a biological *assessment* (vs. opinion) (50 CFR § 402.08). If a permit or license applicant is involved and is not the designated non-federal representative, then the applicant and federal agency must agree on the choice of the designated non-federal representative. The ultimate responsibility for compliance with ESA § 7 remains with the federal agency.
8. ESA § 10 procedures are triggered by actions of non-federal entities (e.g., states). ESA regulations require writing a Habitat Conservation Plan (requiring time and resources) when seeking an incidental take permit, and FWS policy also involves internal consultation, taking additional time. ESA § 10 consultation can result in an incidental take permit (vs. incidental take statement under § 7).
9. HQ (OGC lead) has drafted a five-agency MOA, to include EPA, DOI/FWS, FDEP, NMFS, and the Corps, to address ESA coordination, which was shared with R4 and FWS on Oct 17.
10. An EPA and DOI/FWS working group met for the first time Oct 10, 2018, to discuss ESA coordination procedures, and met several times thereafter in an attempt to reach agreement on ESA coordination procedures and MOA language. Consideration of the path forward now rests at high levels within EPA

(Deputy GC) and DOI. EPA and DOI have not since reached agreement on the MOA. AA Ross is considering sharing the five-agency MOA with Florida DEP.

11. On 11/5/19 call, FDEP shared with the EPA team that they were requesting that EPA designate them as a non-Federal representative per 50 CFR § 402.08 so that they could begin the process of creating a programmatic procedural biological assessment.
12. EPA issued letters to FDEP and the Services (FWS & NMFS) respectively dated 12/12/19 and 12/13/19 regarding EPA's voluntary engagement in informal ESA § 7 consultation for review of FDEP's request to assume administration of a CWA Section 404 program and designating FDEP as the non-federal representative for this consultation.
13. FDEP has a contractor preparing the species list needed as part of the consultation process.
14. FDEP staff shared with EPA staff that DOI is convening a workgroup wth NMFS, USFWS, and FDEP to organize development of the ESA § 7 biological assessment for Florida's planned proposal for assumption of a 404 program. WD staff have reached out to inquire about EPA representation on the workgroup. Based on a discussion with FDEP on 01/28/20, there will likely be now workgroup discussions prior to FDEP's receipt of the species list from their contract, which they expect by 02/20/20.
15. FDEP scheduled a call with the Services on 2/11/20 to discuss components of the Biological Assessment. NMFS has been engaged by FDEP but has not yet participated in discussions. EPA staff joined the call which included information such as a draft table of contents of the BA. EPA staff will also attend a face to face meeting regarding the BA in Tallahassee on 2/18/20. FDEP indicated they plan to submit a draft Biological Assessment to EPA and the Services on or before 2/24/20.

CWA five-year permit limit

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Ex. 5 Deliberative Process (DP)

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Communication with Stakeholders

18. R4 staff received a letter from the Conservancy of Southwest Florida indicating they would like to track and be involved in the review of FDEP's application. R4 responded by letter dated April 1, 2019, signed by Water Division Director Jeaneanne Gettle, indicating receipt of the letter.
19. Water Division Director Jeaneanne Gettle joined FDEP, the Corps, and the U.S. Fish and Wildlife Service in speaking on a panel at Florida Chamber's Summer School Permitting Conference regarding FL assumption on 7/18-19/2019.
20. EPA HQ has received 20 letters as of 10/29/2019, mostly from homebuilder associations, indicating their interest in Florida's proposal re: resolution on how to conduct ESA under an assumed 404 program. These have been controlled to OWOW for response.