Federal Government Will Not Award Contracts, Grants, or Loans to Water and Air Polluters

[EPA press release - April 17, 1975]

The Environmental Protection Agency has published final regulations which specify that Federal agencies withold contracts, grants or loans to industrial and manufacturing plants, and other facilities, that are found to be in violation of the Federal Water Pollution Control Act of 1972 or the Clean Air Act of 1970.

The program deals with both air and water pollution violations. Earlier regulations, published in December 1973, established similar rules for air pollution violations only. The new regulations are designed to implement Section 307 of the Clean Air Act, Section 508 of the Federal Water Pollution Control Act, and Executive Order 11738.

Under the new regulations, the EPA, with assistance from the States, will place on the EPA list of violating facilities those facilities in violation of the air and water acts. The EPA will begin listing of facilities after July 1, 1975.

The term "facility" means a non-Federal building, plant, installation, or other site of operations to be used in the performance of a contract, grant, or loan.

Facilities will be listed upon a determination by EPA of continuing or recurring violation of air or water standards. Federal, State, or local criminal convictions, civil court decisions, or administrative decisions of violation will serve as a basis for listing. However, where a State or local civil court action or administrative finding is involved, EPA may consider listing only at the request of the governor of that State.

Listed facilities will be prohibited from receiving Federal contracts, subcontracts, grants, subgrants, loans or subloans. The program will apply to any contract, grant, or loan in excess of $100,000 as well as any contract of a lesser amount involving a facility giving rise to a Federal criminal conviction.

One exception will be grants whose primary purpose is to assist a facility to comply with Federal or local air and water pollution control standards.

EPA plans to use the list of violating facilities primarily as a tool to bring about voluntary compliance with clean air and water standards from any organization desiring to receive Federal funds. The listing procedure would supplement other enforcement provisions in the two acts.

No facility will be listed without a listing proceeding where the facility's representatives have had the opportunity, with assistance of legal counsel, to consult with EPA about the alleged violation.
A facility which was listed based on a Federal criminal conviction will be de-listed only if the condition giving rise to the listing has been fully corrected. However, facilities listed on any other basis will be de-listed upon completion of an approved schedule of compliance for abating the condition. De-listing will also occur if the conviction or other form of ruling which was the basis for the listing is reversed.

The regulations appeared in the Federal Register on April 16, 1975.