

**NEW YORK STATE
DEPARTMENT OF ENVIRONMENTAL CONSERVATION**

**Response to the Office of the State Comptroller's
Audit Report 2008-S-94**

Title V Operating Permit Program for the Two Fiscal Years Ended March 31, 2007

Response to Recommendations

In accordance with Section 170 of the Executive Law, the following presents DEC's response to each of the recommendations contained in the final report.

Recommendation 1: Comply with the Federal Clean Air Act Amendments of 1990's requirement to maintain Program self-sufficiency.

Response to Recommendation 1: DEC has submitted several requests to the State Legislature to increase the per ton fee, increase the 6,000 ton cap on billable emissions, reinstate the annual adjustment for Consumer Price Index changes and establish a minimum fee per facility. In the 2009-10 budget, an increase to the per ton emission fee and an increase of the cap to 7,000 tons cap were passed by the Legislature. However, neither of these measures is projected to raise sufficient revenue to cover the existing program costs. DEC continues to submit requests annually to the Legislature to revise the operating permit program's fee structure to adequately support program maintenance.

Recommendation 2: Develop a reliable system to track Program receivables. Once established, continuously pursue outstanding receivables to maximize Program revenue, and write off receivables determined to be uncollectible.

Response to Recommendation 2: DEC has migrated the Title V billing database over to DEC's Financial Management Information System (FMIS) which has the capability to generate an accounts receivable report on demand. This will allow DEC to close out Title V accounts, when necessary, on accelerated basis. DEC will submit all unpaid accounts that are not disputed to the Attorney General's Office for collection at that time.

Recommendation 3: Assess interest and penalties on late payments in compliance with NYCRR Part 481.3 and 481.5.

Response to Recommendation 3: Since DEC's migration of the Title V billing database to DEC's FMIS, DEC is now imposing a penalty on late payments on the 75th day in accordance with NYCRR Part 481.5. DEC has also

changed the billing cycle to a 30 day billing cycle. DEC is now assessing interest on the fees on the 60th day retroactive to the 31st day and continues to accrue interest in 30 day increments.