



**Notices of Final Rulemaking**

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**6. An explanation of the rule, including the agency's reasons for initiating the rule:**

R2-8-202 and its table constitute the Board's direction to the Actuary, the professional organization contracted by the ASRS to perform the actuarial analysis of the ASRS defined contribution plan (the "System") for financial reporting purposes and for determining the appropriateness of the current annuity amounts. The Actuary must use the mortality table and interest assumption to calculate the present value of future benefits payable from the System and to determine the funded status of the System.

In January, 2004 the Board's actuary provided the board with the 2003 actuarial valuation report for the System. The report recommended that ASRS update the mortality table for the System to use the 1994 Group Annuity Mortality Static Table Projected to 2005 with Scale AA Unisex 50% Male/50% Female because the number of deaths among members is much lower than expected under current assumptions.

At the May 21, 2004 Board meeting, the ASRS Board approved the new mortality table recommended by the report for System members. R2-8-202 needs to be amended to remove the old mortality table and add the new mortality table.

**7. A reference to any study relevant to the rule that the agency reviewed and either relied on in its evaluation of or justification for the rule or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

The 2003 Actuarial Valuation Report for the period ending 6/30/2003 for the System. The report was issued January 23, 2004 by the actuarial firm, Mellon. The public may obtain a copy of the report from the individuals listed in question #5.

**8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant authority of a political subdivision of this state:**

Not applicable

**9. The summary of the economic, small business, and consumer impact:**

If the new mortality table had been used in the valuation of the System as of June 30, 2003, the funded status would have been 97.77% instead of 100.49%. When the funded status is between 95% and 105%, the board does not increase or decrease benefits.

ASRS data indicates that members are living longer than projected in the 1983 mortality table that is currently in rule. As a result, if ASRS were to continue to use the 1983 table the System would incur losses and the funded status of the System would diminish. If the funded status declined to less than 95%, the board would be compelled to reduce benefits. By changing to the 1994 mortality table, the Board can avoid these future mortality losses and decrease the likelihood of future benefit reductions.

Although both retired and non-retired members of the System and their named beneficiaries will benefit from this rule in that their annuity amounts will be less likely to be subject to future reductions arising from improved longevity, initial monthly benefits will be less using the new mortality table than under the old mortality table. For example, the table below shows the initial monthly annuity amounts, under both the old and new mortality tables, for System members retiring at ages 60 or 65, each with total balances of \$200,000:

Retirement Age	Initial Monthly Annuity		% Reduction
	Old Table	New Table	
60	\$1,650.51	\$1,612.10	2.3%
65	\$1,812.38	\$1,751.90	3.3%

**10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

Technical and grammatical changes were made at the suggestion of G.R.R.C. staff.

**11. A summary of the comments made regarding the rule and the agency response to them:**

No comments were received on the proposed rules.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

Not applicable

**13. Incorporation by reference and their location in the rules:**

Not applicable

**14. Was this rule previously made as an emergency rule?**

No. A Notice of Emergency Rulemaking has been filed with the Arizona Attorney General's Office, however as of the date the Notice of Final Rulemaking was filed with the Governor's Regulatory Review Council, the Arizona Attorney General's Office had not yet determined whether it meets the requirements of an emergency rule.

**15. The full text of the rule follows:**

**TITLE 2. ADMINISTRATION**

**CHAPTER 8. STATE RETIREMENT SYSTEM BOARD**

**ARTICLE 2. STATE RETIREMENT DEFINED CONTRIBUTION PROGRAM**

Section

R2-8-202. Actuarial Assumptions

**ARTICLE 2. STATE RETIREMENT DEFINED CONTRIBUTION PROGRAM**

**R2-8-202. Actuarial Assumptions**

The following actuarial assumptions apply to this Article:

1. The interest and investment yield rate is 8% per annum, compounded annually; and
2. Mortality rates are based on the ~~1983 Group Annuity Mortality Table, Unisex 50% male/50% female~~ 1994 Group Annuity Mortality Static Table Projected to 2005 with Scale AA Unisex 50% Male/50% Female as provided in Table 1.

**Table 1**

Age	Mortality Rate
1	0.000000
2	0.000000
3	0.000000
4	0.000000
5	0.000257
6	0.000229
7	0.000210
8	0.000199
9	0.000195
10	0.000195
11	0.000201
12	0.000209
13	0.000216
14	0.000224
15	0.000233
16	0.000241
17	0.000251
18	0.000261
19	0.000272
20	0.000283
21	0.000297
22	0.000310
23	0.000325

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24	0.000341
25	0.000359
26	0.000378
27	0.000398
28	0.000422
29	0.000446
30	0.000475
31	0.000505
32	0.000538
33	0.000574
34	0.000614
35	0.000668
36	0.000705
37	0.000751
38	0.000806
39	0.000873
40	0.000952
41	0.001043
42	0.001151
43	0.001278
44	0.001426
45	0.001597
46	0.001794
47	0.002014
48	0.002252
49	0.002509
50	0.002778
51	0.003059
52	0.003352
53	0.003659
54	0.003988
55	0.004336
56	0.004711
57	0.005121
58	0.005581
59	0.006103
60	0.006700
61	0.007383
62	0.008172
63	0.009080
64	0.010127
65	0.011328
66	0.012698
67	0.014242
68	0.015966
69	0.017869
70	0.019958
71	0.022241
72	0.024765
73	0.027581
74	0.030740

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75	0.034295
76	0.038286
77	0.042715
78	0.047569
79	0.052837
80	0.058508
81	0.064570
82	0.071006
83	0.077798
84	0.084927
85	0.092377
86	0.100370
87	0.108870
88	0.118004
89	0.128107
90	0.139029
91	0.150645
92	0.163045
93	0.176292
94	0.191504
95	0.208253
96	0.225097
97	0.242999
98	0.262351
99	0.283670
100	0.307186
101	0.333156
102	0.361975
103	0.394472
104	0.432808
105	0.478674
106	0.533916
107	0.600414
108	0.680076
109	0.774845
110	1.000000
111	1.000000
112	1.000000
113	1.000000
114	1.000000
115	1.000000
116	1.000000
117	1.000000
118	1.000000
119	1.000000
120	1.000000

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**Table 1. 1994 Group Annuity Mortality Static Table Projected to 2005 with Scale AA Unisex 50% Male/50% Female**

<u>Age</u>	<u>Probability of Death</u>	<u>Age</u>	<u>Probability of Death</u>	<u>Age</u>	<u>Probability of Death</u>
1	0.000450	41	0.000849	81	0.051402
2	0.000299	42	0.000910	82	0.057321
3	0.000236	43	0.000970	83	0.063155
4	0.000181	44	0.001029	84	0.069697
5	0.000165	45	0.001091	85	0.076704
6	0.000156	46	0.001165	86	0.084615
7	0.000148	47	0.001259	87	0.094330
8	0.000135	48	0.001374	88	0.104971
9	0.000130	49	0.001499	89	0.116582
10	0.000131	50	0.001647	90	0.129410
11	0.000139	51	0.001819	91	0.142306
12	0.000150	52	0.002029	92	0.156856
13	0.000168	53	0.002270	93	0.172239
14	0.000198	54	0.002526	94	0.187824
15	0.000230	55	0.002842	95	0.205337
16	0.000261	56	0.003226	96	0.222079
17	0.000286	57	0.003692	97	0.240105
18	0.000303	58	0.004227	98	0.258633
19	0.000315	59	0.004797	99	0.275951
20	0.000324	60	0.005440	100	0.293584
21	0.000335	61	0.006215	101	0.315045
22	0.000350	62	0.007056	102	0.333712
23	0.000372	63	0.008071	103	0.353524
24	0.000393	64	0.009147	104	0.374436
25	0.000421	65	0.010310	105	0.395411
26	0.000454	66	0.011618	106	0.415408
27	0.000476	67	0.012902	107	0.433391
28	0.000494	68	0.014069	108	0.450956
29	0.000514	69	0.015317	109	0.468810
30	0.000536	70	0.016544	110	0.484535
31	0.000559	71	0.017986	111	0.495733
32	0.000579	72	0.019784	112	0.500000
33	0.000592	73	0.021701	113	0.500000
34	0.000603	74	0.023851	114	0.500000
35	0.000614	75	0.026316	115	0.500000
36	0.000632	76	0.029086	116	0.500000
37	0.000660	77	0.032686	117	0.500000
38	0.000696	78	0.036667	118	0.500000
39	0.000738	79	0.041097	119	0.500000
40	0.000791	80	0.046001	120	1.000000

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NOTICE OF FINAL RULEMAKING

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 1. BOARD OF ACCOUNTANCY

PREAMBLE

- 1. Sections Affected**

R4-1-101	<b><u>Rulemaking Action</u></b>
R4-1-115.03	Amend
R4-1-454	New Section
	New Section
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific)**

Authorizing statute: A.R.S. § 32-703(B)(8) and (13)  
Implementing statute: A.R.S. § 32-703(B)(8) and (13)
- 3. The effective date of the rules:**

December 4, 2004
- 4. A list of all previous notices appearing in the Register addressing the final rules:**

Notice of Rulemaking Docket Opening: 9 A.A.R. 3058, July 11, 2003  
Notice of Proposed Rulemaking: 9 A.A.R. 4426, October 17, 2003  
Notice of Supplemental Proposed Rulemaking: 10 A.A.R. 2787, July 9, 2004
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Valerie M. Elliott, Executive Director  
Address: Accountancy Board  
100 N. 15th Ave., Ste. 165  
Phoenix, AZ 85007  
Telephone: (602) 364-0804  
Fax: (602) 364-0903  
E-mail: vme@mail.accountancy.state.az.us
- 6. An explanation of the rules, including the agency's reasons for initiating the rules:**

The initiation of the rulemaking is, in part, in response to a recommendation made by the Auditor General in its last sunset review of the Board. The rules implement a peer review program that serves as an educational tool for registrants, and a means to ensure that the public receives quality performance from the professionals who are regulated by the Board.
- 7. A reference to any study relevant to the rules that the agency reviewed and did or did not rely on in its evaluation of or justification for the rules, where the public may obtain or review each study, all data underlying each study, any analysis of each study and other supporting material:**

None
- 8. A showing of good cause why the rules are necessary to promote a statewide interest if the rules will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable
- 9. The summary of the economic, small business, and consumer impact:**

The rules come directly from a statutory change that allows the Board to require peer review on a general and random basis of the professional work of a registrant engaged in the practice of accounting. Every three years, registrants who perform restricted financial, full-disclosure compilation or non-disclosure compilation services will be required to undergo peer review and bear the burden of the cost. The rules will benefit the public by increasing the monitoring and education of certified public accountants who perform restricted financial, full-disclosure compilation or non-disclosure compilation services.
- 10. A description of the changes between the proposed rules, including supplemental notice and final rules:**

After the Notice of Proposed Rulemaking was published on October 17, 2003, and the initial public comment from the November 19, 2003 oral hearing, only minor technical changes were made to the proposed rules to improve clarity, grammar, and consistency.  
After subsequent review and consideration, the following changes were made to the proposed rules, resulting in the Notice of Supplemental Proposed Rulemaking:

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R4-1-101(5) – Modified to include the specific language required by A.A.C. R1-1-414(B) and (C) for incorporated by reference material.

R4-1-101(7) – Added a definition of “Educational Enhancement Review”

R4-1-101(13) – Modified the definition of “Peer Review”

R4-1-101(17) – Added a definition of “PROAC”

R4-1-115.03(4) – Added a requirement for the committee to update the Board on the status of firms’ compliance.

R4-1-454(B) – Added a description of the Educational Enhancement Review process.

R4-1-454(J) – Modified to include the specific language required by A.A.C. R1-1-414(B) and (C) for incorporated by reference material.

R4-1-454(K) – Added a record retention requirement.

**11. A summary of the comments made regarding the rules and the agency response to them:**

The Board did not receive any oral or written comments in response to the Notice of Supplemental Rulemaking.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

Not applicable

**13. Incorporations by reference and their location in the rules:**

Statements on Standards for Accounting and Review Services, published June 1, 2003, by the American Institute of Certified Public Accountants is incorporated by reference in R4-1-101(5).

Standards for Performing and Reporting on Peer Reviews, published June 1, 2003, by the American Institute of Certified Public Accountants is incorporated by reference in R4-1-454(J).

**14. Were the rules previously adopted as emergency rules?**

No

**15. The full text of the rules follows:**

**TITLE 4. PROFESSIONS AND OCCUPATIONS**

**CHAPTER 1. BOARD OF ACCOUNTANCY**

**ARTICLE 1. GENERAL**

Section

R4-1-101. Definitions

R4-1-115.03. Peer Review Oversight Advisory Committee

R4-1-454. Peer Review

**ARTICLE 1. GENERAL**

**R4-1-101. Definitions**

In these rules, unless the context otherwise requires:

1. No change

2. No change

3. No change

4. No change

5. “Compilation services” has the same meaning as “compilation of financial statements” in section 100.04 of the Statements on Standards for Accounting and Review Services, published June 1, 2003, by the American Institute of Certified Public Accountants, New York, New York 10036-8775, which is incorporated by reference. This incorporation by reference does not include any later amendments or editions. The incorporated material is available for inspection and copying at the Board’s office.

~~5-6.~~ “Contested case” means any proceedings in which the legal rights, duties, or privileges of a party are required by law to be determined by any agency after an opportunity for hearing.

7. “Educational Enhancement Review” means an assessment by the PROAC of one or more aspects of the professional work of a firm that performs only nondisclosure compilation services.

~~6-8.~~ “Expired” means the termination of a registrant’s certificate if a registrant fails to reinstate the certificate within 12 months after it has been suspended for nonregistration or if a registrant fails to reinstate a certificate that has been inactive for more than six years.

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- ~~7-9.~~ "Financial statements" means statements and footnotes related to them that purport to show financial position ~~which relates to a point in time~~ or changes in financial position ~~which that~~ relate to a period of time, and statements ~~which that~~ use a cash or other comprehensive basis of accounting. Balance sheets, statements of income, statements of retained earnings, statements of cash flows, statements of changes in owner's equity and other commonly used or recognized summaries of financial information are financial statements. The statement, affidavit, or signature of ~~preparers~~ a preparer required on a tax returns return neither constitutes an opinion on a financial statements statement nor requires a disclaimer of the opinion.
10. "Full-disclosure compilation services" means a compilation of financial statements that does not omit substantially all disclosures.
11. "Nondisclosure compilations services" means a compilation of financial statements that omits substantially all disclosures.
- ~~8-12.~~ "Party" means each person or agency named or admitted as a party, or properly seeking and entitled, as of right, to be admitted as a party.
13. "Peer review" means an assessment of one or more aspects of the professional work of a firm that is registered with the Board to practice public accounting and performs restricted financial, full-disclosure compilation, or nondisclosure compilation services, conducted according to R4-1-454(J).
- ~~9-14.~~ "Person" may include any individual, any form of corporation, partnership, or professional limited liability company.
- ~~10-15.~~ "Practice of accounting" ~~means the provision of any accounting services, including recording and summarizing financial transactions, analyzing and verifying financial information, reporting financial results to an employer, clients, or other parties and rendering of tax and management advisory services to an employer, clients, or other parties.~~ A.R.S. § 32-701.01(8)
- "Practice of accounting" means providing any accounting services, including recording and summarizing financial transactions, analyzing and verifying financial statements, reporting financial results to an employer, clients or other parties and rendering attestation, tax and management advisory services to an employer, clients or other parties. A.R.S. § 32-701(10).
- ~~11-16.~~ "Practice of public accounting" means the practice of accounting by a certified public accountant or public accountant.
17. "PROAC" means the Peer Review Oversight Advisory Committee established by R4-1-115.03.
- ~~12-18.~~ "Registrant" ~~refers to~~ means any certified public accountant, public accountant, or firm registered with the Board.
- ~~13-19.~~ "Relinquishment" means the voluntary surrender of a registrant's certificate pending an investigation.

**R4-1-115.03. Peer Review Oversight Advisory Committee**

- A.** The Board shall appoint an advisory committee to monitor and conduct the peer review program. Upon appointment the committee shall:
1. Advise the Board on matters relating to the peer review program;
  2. Report to the Board on effectiveness of the peer review program;
  3. Provide the Board with a list of firms that have participated in peer review;
  4. Update the Board on the status of participating firms' compliance with the requirements of R4-1-454;
  5. Recommend to the Board procedures and standards for fulfilling its role, including phase-in procedures for implementing the peer review program and minimum standards for performing and reporting on peer review;
  6. Maintain documents in a manner that preserves the confidentiality of persons, including information, pertaining to a specific business organization, that may be disclosed to the committee during the course of its business;
  7. Report to the Board and obtain approval of any modification to the peer review program; and
  8. Assess all applications of review teams and national organizations participating in the peer review program and make recommendations regarding Board approval or denial of the applications.
- B.** The Board shall accept, reject, or modify recommendations of the Peer Review Oversight Advisory Committee.

**ARTICLE 4. REGULATION**

**R4-1-454. Peer Review**

- A.** Effective for registrations on or after January 1, 2005, each firm, as defined in A.R.S. § 32-701(8), that performs restricted financial services or full disclosure compilation services shall complete a peer review within the three years immediately preceding the firm's registration date.
1. A firm shall submit to the Peer Review Oversight Advisory Committee a peer review report and any additional, related documentation requested by the Peer Review Oversight Advisory Committee. PROAC shall not require the submission of working papers related to the peer review process.
  2. A firm with a registration date that falls on January 1, 2005, or any date up to and including June 30, 2006, shall submit the initial peer review report by June 30, 2006.
  3. A firm with a registration date after June 30, 2006, shall submit the peer review report on the registration date with other renewal documents.
  4. The Board shall grant, upon a written request and demonstration of good cause, an extension of time for completing

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the peer review or submitting the peer review report to the Board. Good cause may include illness, disability, military service, natural disaster, or any other circumstance beyond the control of the firm that prevents the firm from timely completing a peer review.

- B.** Beginning January 1, 2005, if the only services performed by a firm involving financial statements are nondisclosure compilation services, the Board shall request, on a random basis, as a condition for initial or renewal registration, that the firm provide a peer review report and any additional, related documentation, completed within the three years immediately preceding the firm's registration date.
1. If a firm did not complete a peer review within the three years immediately preceding the firm's registration date, PROAC shall request that the firm provide reports and financial statements from two separate nondisclosure compilation engagements, performed within the two years immediately preceding the firm's registration date, for an Educational Enhancement Review by PROAC;
  2. If the results of the Educational Enhancement Review indicate deficient work by a firm, the Board may do any of the following:
    - a. Educate the firm by informing it of or referencing it to the current and appropriate reporting requirements;
    - b. Educate the firm by informing it how to enhance its reporting and financial presentation; or
    - c. Require the firm to undergo peer review before its next renewal registration.
  3. If the results of the Educational Enhancement Review do not indicate deficient work, the PROAC shall recommend to the Board that it accepts the firm's Educational Enhancement Review and that the firm be notified of its compliance with this Section.
- C.** Only a peer reviewer or a review team approved by the Board or its authorized agent may conduct a peer review. In approving a peer reviewer or a review team, the Board or its authorized agent shall ensure that each peer reviewer or member of a review team holds a certificate or license in good standing to practice public accounting, and is not affiliated with the firm under review.
- D.** A firm may obtain a peer review and the corresponding report from a national organization approved by the Board or its authorized agent. In approving a national organization, the Board shall determine whether the organization performs peer reviews that comply with this Section.
- E.** PROAC shall review the peer review report submitted by a firm to determine whether the firm is complying with the standards in subsection (J). If the results of peer review indicate that a firm is complying with the standards in subsection (J), the PROAC shall recommend to the Board that it accept the firm's peer review and that the firm be notified of its compliance with this Section.
- F.** If the results of peer review indicate that a firm is not complying with the standards in subsection (J):
1. The Board shall direct the Peer Review Oversight Advisory Committee to obtain relevant reports and letters of comment, and perform any follow-up action required as a consequence of the identified deficiencies. PROAC shall retain all documents obtained until the firm completes and the Board accepts the firm's next peer review.
  2. If additional information is needed to determine whether a firm is correcting identified deficiencies, the Board shall make a written request that the firm provide the needed information. If PROAC determines that the firm has not corrected the identified deficiencies, it shall refer the matter to the Board.
  3. Based upon review of the Committee's recommendation, the Board may take disciplinary action as defined in A.R.S. § 32-701(6).
- G.** Information discovered solely as a result of a peer review is not grounds for suspension or revocation of a certificate.
- H.** Failure of a firm to complete a peer review under this Section constitutes grounds for revocation or suspension of a certificate, after notice and opportunity for a hearing, unless the Board determines that there is good cause for the failure.
- I.** Exemptions: A firm is exempt from the requirements of this Section if the firm submits to the Board a written statement that it meets at least one of the following grounds for exemption:
1. The firm has not previously practiced public accounting in this state, any other state, or a foreign country and the firm will undergo a peer review within 18 months of initial registration.
  2. The firm submits to the Board an affidavit, on a form prescribed by the Board, that states that all of the following apply:
    - a. Within the previous three years, the firm did not undertake any engagement that resulted in the firm issuing a restricted financial services, full-disclosure, or non-disclosure compilation;
    - b. The firm agrees to notify the Board within 90 days after accepting a restricted financial services or full-disclosure compilation services engagement and will undergo a peer review within 18 months from the year-end of the engagement accepted; and
    - c. The firm agrees to notify the Board within 90 days after accepting a nondisclosure compilation engagement.
- J.** Each firm, review team, and member of a review team shall comply with the Standards for Performing and Reporting on Peer Reviews, published June 1, 2003 by the American Institute of Certified Public Accountants, New York, New York 10036-8775, which is incorporated by reference. This incorporation by reference does not include any later amendments or editions. The incorporated material is available for inspection and copying at the Board's office.
- K.** Peer review record retention. A firm shall maintain for five years, and provide the Board upon request, the following doc-

uments for the peer reviews required by this Section: peer review report, final acceptance letter, letter of comment, corrective action, and letter of response.

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**TITLE 4. PROFESSIONS AND OCCUPATIONS**

**CHAPTER 23. BOARD OF PHARMACY**

**PREAMBLE**

- 1. Sections Affected**

R4-23-110	Amend
R4-23-201	Amend
R4-23-202	Amend
R4-23-203	Amend
R4-23-301	Amend
R4-23-304	Amend
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statutes: A.R.S. §§ 32-1904(A)(1) and (5) and (B)(7) and (10)  
Implementing statutes: A.R.S. §§ 32-1922 and 32-1923
- 3. The effective date of the rules:**

December 4, 2004
- 4. A list of all previous notices appearing in the Register addressing the final rules:**

Notice of Rulemaking Docket Opening: 10 A.A.R. 368, January 30, 2004  
Notice of Proposed Rulemaking: 10 A.A.R. 1837, May 7, 2004
- 5. The name and address of agency personnel with whom persons may communicate regarding the rules:**

Name: Dean Wright, Compliance Officer  
Address: Board of Pharmacy  
4425 W. Olive Ave., Suite 140  
Glendale, AZ 85302  
Telephone: (623) 463-2727, Ext. 131  
Fax: (623) 934-0583  
E-mail: rxcop@cox.net
- 6. An explanation of the rules, including the agency's reasons for initiating the rules:**

The Board staff identified some minor changes for Sections R4-23-110, R4-23-201, R4-23-202, R4-23-203, R4-23-301, and R4-23-304 to improve the clarity, conciseness, and understandability of the rules. The definition for "AZPLEX" will be removed from R4-23-110, because it is no longer used. The definition for "MPJE" will be amended to clarify its use. The definition for "delinquent license" will be amended to include the terms "pharmacy intern, graduate intern, and pharmacy technician." Sections R4-23-201, R4-23-202, R4-23-203, and R4-23-304 will be amended by replacing the term "AZPLEX" wherever it occurs with the term "MPJE." R4-23-301 will be amended by removing language from subsection (C) that indicates that the Board can determine an individual's intent to continue or not continue pursuing a pharmacy education. The rules will include format, style, and grammar necessary to comply with the current rules of the Secretary of State and Governor's Regulatory Review Council.

The Board believes that approval of these rules benefits the public, pharmacists, pharmacy interns, and pharmacies by clearly establishing the standards for pharmacist and pharmacy intern licensure.
- 7. A reference to any study relevant to the rules that the agency reviewed and either relied on in its evaluation of or justification for the rules or did not rely on in its evaluation of or justification for the rules, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

None
- 8. A showing of good cause why the rules are necessary to promote a statewide interest if the rules will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

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**9. The summary of the economic, small business, and consumer impact:**

The rules will impact the Board, pharmacists, and pharmacy interns. The amended rules' impact on the Board will be the usual rulemaking-related costs which are minimal. The amended rules will have no economic impact on pharmacists or pharmacy interns. The changes to the rules are minor and simply improve the clarity, conciseness, and understandability of the rules. The amended rules have no economic impact on the public.

The public, Board, pharmacists, and pharmacies benefit from rules that are clear, concise, and, understandable. The amended rules benefit the public, the Board, and the pharmacy community by clearly establishing the standards for pharmacist and pharmacy intern licensure.

**10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

There are no substantive changes in the final rules from the proposed rules. There are minor changes to style, format, grammar, and punctuation requested by G.R.R.C. staff.

**11. A summary of the comments made regarding the rules and the agency response to them:**

No one attended the public hearing held on June 28, 2004, and no written or oral comments were received.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

Not applicable

**13. Incorporations by reference and their location in the rules:**

None

**14. Were these rules previously approved as emergency rules?**

No

**15. The full text of the rules follows:**

**TITLE 4. PROFESSIONS AND OCCUPATIONS**

**CHAPTER 23. BOARD OF PHARMACY**

**ARTICLE 1. ADMINISTRATION**

Section

R4-23-110. Definitions

**ARTICLE 2. PHARMACIST LICENSURE**

Section

R4-23-201. General

R4-23-202. Licensure by Examination

R4-23-203. Licensure by Reciprocity

**ARTICLE 3. INTERN TRAINING AND PHARMACY INTERN PRECEPTORS**

Section

R4-23-301. Intern Licensure

R4-23-304. Reports

**ARTICLE 1. ADMINISTRATION**

**R4-23-110. Definitions**

In addition to definitions in A.R.S. § 32-1901, the following definitions apply to A.A.C. Title 4 Chapter 23:

“Active ingredient” No change

“Alternate physician” No change

“Approved course in pharmacy law” No change

“Approved Provider” No change

“Authentication of product history” No change

~~“AZPLEX” means an Arizona pharmacy law examination written and administered by the Board staff or a Board approved national pharmacy law examination written and administered in cooperation with NABP.~~

“Batch” No change

“Beyond-use date” No change

“Biological safety cabinet” No change

“Class 100 environment” No change

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- “Community pharmacy” No change
- “Component” No change
- “Compounding and dispensing counter” No change
- “Computer system” No change
- “Computer system audit” No change
- “Contact hour” No change
- “Container” No change
- “Continuing education” No change
- “Continuing education activity” No change
- “Continuing education unit” or “CEU” No change
- “Correctional facility” No change
- “CRT” No change
- “Current good compounding practices” No change
- “Current good manufacturing practice” No change
- “Cytotoxic” No change
- “Day” No change
- “DEA” No change
- “Delinquent license” means a pharmacist, ~~or pharmacy intern, graduate intern, or pharmacy technician~~ license the Board suspends for failure to renew or pay all required fees on or before the date the renewal is due.
- “Dietary supplement” No change
- “Dispensing pharmacist” No change
- “Drug sample” No change
- “Drug therapy management” No change
- “Drug therapy management agreement” No change
- “Extreme emergency” No change
- “FDA” No change
- “Immediate notice” No change
- “Inactive ingredient” No change
- “Internal test assessment” No change
- “Limited-service correctional pharmacy” No change
- “Limited-service long-term care pharmacy” No change
- “Limited-service mail-order pharmacy” No change
- “Limited-service nuclear pharmacy” No change
- “Limited-service pharmacy permittee” No change
- “Limited-service sterile pharmaceutical products pharmacy” No change
- “Long-term care consultant pharmacist” No change
- “Long-term care facility” or “LTCF” No change
- “Lot” No change
- “Lot number” or “control number” No change
- “Materials approval unit” No change
- “Mediated instruction” No change
- “MPJE” means Multistate Pharmacy Jurisprudence Examination, a Board-approved national pharmacy law examination written and administered in cooperation with NABP.
- “NABP” No change
- “NABPLEX” No change
- “NAPLEX” No change
- “Other designated personnel” No change
- “Outpatient” No change
- “Outpatient setting” No change
- “Patient profile” No change
- “Pharmaceutical patient care services” No change
- “Pharmaceutical product” No change
- “Pharmacy counter working area” No change
- “Pharmacy law continuing education” No change
- “Prepackaged drug” No change
- “Provider pharmacy” No change
- “Radiopharmaceutical” No change
- “Radiopharmaceutical quality assurance” No change
- “Radiopharmaceutical services” No change

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- “Red C stamp” No change
- “Remodel” No change
- “Remote drug storage area” No change
- “Resident” No change
- “Responsible person” No change
- “Score transfer” No change
- “Sight-readable” No change
- “Single-drug audit” No change
- “Single-drug usage report” No change
- “Sterile pharmaceutical product” No change
- “Strength” No change
- “Supervision” means a pharmacist is present, assumes legal responsibility, and has direct oversight of activities relating to acquiring, preparing, distributing, and selling prescription medications by pharmacy interns, graduate interns, pharmacy technicians, or ~~certified~~ pharmacy technicians technician trainees and when used in connection with the intern training requirements means that, in a pharmacy where intern training occurs, a pharmacy intern preceptor assumes the primary responsibility of teaching the intern during the entire period of the training.
- “Supervisory physician” No change
- “Supplying” No change
- “Support personnel” means an individual, working under the supervision of a pharmacist, trained to perform clerical duties associated with the practice of pharmacy including cashiering, bookkeeping, pricing, stocking, delivering, answering non-professional telephone inquires, and documenting 3rd-party reimbursement. Support personnel shall not perform the tasks of a pharmacist, pharmacy intern, graduate intern, pharmacy technician, or ~~certified~~ pharmacy technician trainee.
- “Transfill” No change
- “Wholesale distribution” No change
- “Wholesale distributor” No change

ARTICLE 2. PHARMACIST LICENSURE

R4-23-201. General

- A. ~~Licensure~~ License required: Before ~~posing or~~ practicing as a pharmacist in Arizona, a person shall possess a valid pharmacist license issued by the Board. There is no temporary licensure.
- B. Methods of licensure: Licensure as a pharmacist shall be either:
  - 1. By practical examination, using paper and pencil written testing, computer adaptive testing, or other Board-approved testing ~~methods~~ method; or
  - 2. By reciprocity.
- C. Practicing pharmacist holding a delinquent license: Before the Board reinstates an Arizona pharmacist license ~~will be reinstated~~, a pharmacist, whose Arizona pharmacist license is delinquent for five or more years and who is practicing pharmacy outside the Board’s jurisdiction with a pharmacist license issued by another jurisdiction, shall:
  - 1. Pass the ~~AZPLEX~~ MPJE or other Board-approved jurisprudence examination,
  - 2. Pay all delinquent annual renewal fees, and
  - 3. Pay penalty fees.
- D. Non-practicing pharmacist holding a delinquent license: Before the Board reinstates an Arizona pharmacist license ~~will be reinstated~~, a pharmacist, whose Arizona pharmacist license is delinquent for five or more years and who did not practice pharmacy within the last ~~year~~ 12 months before seeking reinstatement, shall:
  - 1. ~~Complete~~ Complete the requirements in subsection (C), and
  - 2. ~~Appear~~ Appear before the Board to furnish satisfactory proof of fitness to be licensed as a pharmacist.

R4-23-202. Licensure by Examination

- A. Eligibility. To be eligible for licensure as a pharmacist by examination, a person shall:
  - 1. Have an undergraduate degree in pharmacy from a school or college of pharmacy whose professional degree program, at the time the person graduates, is accredited by the American Council on Pharmaceutical Education; or
  - 2. Qualify under the requirements of A.R.S. § 32-1922(C); and
  - 3. Complete not less than 1500 hours of intern training as specified in R4-23-303.
- B. Application.
  - 1. An applicant for licensure by examination shall file with the Board office:
    - a. A completed application for licensure by examination form,
    - b. A completed NAPLEX registration form or ensure receipt of an official NABP score transfer report through the Board office online computer link with NABP indicating the applicant’s score on the NAPLEX taken in another jurisdiction, and
    - c. A completed ~~AZPLEX~~ MPJE registration form.

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2. The Board office shall deem an application or registration form received on the date that the Board office stamps on the form as ~~the that~~ form is ~~delivered to~~ received by the Board office. The Board office shall deem a score transfer received on the date that the NABP transmits the applicant's official NABP score transfer report through the online computer link to the Board office.
  3. An applicant for licensure by examination shall:
    - a. Make application on a form furnished by the Board, and
    - b. Submit with the application for licensure by examination form:
      - i. The documents specified in the application form, and
      - ii. The examination fee specified in R4-23-205(C) made payable to the Arizona State Board of Pharmacy by money order or certified or personal check.
  4. An applicant for licensure by examination shall:
    - a. Make NAPLEX and ~~AZPLEX MPJE~~ registration on forms furnished by the Board or NABP; and
    - b. Submit with the registration forms:
      - i. The documents specified in the registration forms; and
      - ii. The examination fee specified by and made payable to NABP by money order, certified check, or bank draft.
  5. The Board shall deem an application for licensure by examination or a NAPLEX or ~~AZPLEX MPJE~~ registration to be invalid after 12 months from the date the Board office determines an application or registration form is complete. An applicant whose application or registration form is invalid and who wishes to continue licensure procedures, shall submit a new application or registration form and fee.
- C. Passing grade; notification; re-examination.
1. To pass the required examinations, an applicant shall obtain a score of at least 75 on both the NAPLEX and ~~AZPLEX MPJE~~ MPJE.
  2. The Board office shall:
    - a. Retrieve an applicant's NAPLEX and ~~AZPLEX MPJE~~ score from the NABP online database no later than two weeks after the applicant's examination date; and
    - b. Mail an applicant's NAPLEX and ~~AZPLEX MPJE~~ score to the applicant no later than seven days after the Board office receives the applicant's score from NABP.
  3. An applicant who fails the NAPLEX or ~~AZPLEX MPJE~~ may apply to retake the examination within the 12-month period defined in subsection(B)(5). An applicant applying to retake an examination shall submit to the Board office a completed NAPLEX or ~~AZPLEX MPJE~~ registration form and pay the examination fee specified by and made payable to NABP by money order, certified check, or bank draft. An applicant who fails the NAPLEX or ~~AZPLEX MPJE~~ three times shall petition the Board for permission before retaking the examination.
- D. NAPLEX score transfer.
1. An applicant who receives a passing score on the NAPLEX taken in another jurisdiction shall, within 12 months from the date the Board office receives the applicant's official NABP score transfer report from the NABP, make application for licensure according to subsection (B). After 12 months, an applicant may reapply for licensure in this state under the provisions of subsection (B) or R4-23-203(B).
  2. An applicant who takes the NAPLEX in another jurisdiction and fails the examination may apply for licensure in this state under the provisions of subsection (B).
- E. Licensure. The Board office shall issue a certificate of licensure to a successful applicant upon receipt of the licensure fee specified in R4-23-205(A)(1)(a). The Board office shall:
1. Provide a receipt for payment of the licensure fee to an applicant who delivers a payment in person, or
  2. Mail a receipt for payment of the licensure fee to an applicant within one working day of receiving the payment by mail or other delivery service.
- F. Time-frames for licensure by examination.
1. The Board office shall complete an administrative completeness review within 20 days from the date of receipt of an application or registration form.
    - a. The Board office shall issue a written notice of administrative completeness to the applicant if no deficiencies are found in the application or registration form.
    - b. If the application or registration form is incomplete, the Board office shall provide the applicant with a written notice that includes a comprehensive list of the missing information. The 20-day time-frame for the Board office to finish the administrative completeness review is suspended from the date the notice of incompleteness is served until the applicant provides the Board office with all missing information.
    - c. If the Board office does not provide the applicant with notice regarding administrative completeness, the application or registration form shall be deemed complete 20 days after receipt by the Board office.
  2. An applicant with an incomplete application or registration form shall submit all of the missing information within 30 days of service of the notice of incompleteness.
    - a. If an applicant cannot submit all missing information within 30 days of service of the notice of incompleteness, the applicant may send a written request for an extension to the Board office ~~post marked~~ postmarked or deliv-

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- ered no later than 30 days from service of the notice of incompleteness.
- b. The written request for an extension shall document the reasons the applicant is unable to meet the 30-day deadline.
  - c. The Board office shall review the request for an extension of the 30-day deadline and grant the request if the Board office determines that an extension of the deadline will enable the applicant to assemble and submit the missing information. An extension shall be for no more than 30 days. The Board office shall notify the applicant in writing of its decision to grant or deny the request for an extension. An applicant who requires an additional extension shall submit an additional written request ~~in accordance with~~ according to this subsection.
3. If an applicant fails to submit a complete application or registration form within the time allowed, the Board office shall close the applicant's file. An applicant whose file is closed and who later wishes to obtain a license shall apply again ~~in accordance with~~ according to subsection (B).
  4. The Board office shall complete a substantive review of the applicant's qualifications in no more than 20 days from the date on which the administrative completeness review of an application or registration form is complete.
    - a. If an applicant is found to be ineligible for licensure by examination, the Board office shall issue a written notice of denial to the applicant.
    - b. If an applicant is found to be eligible to take the NAPLEX, the Board office shall issue a written notice of eligibility to the applicant and the NABP.
    - c. If an applicant is found to be eligible to take the ~~AZPLEX MPJE~~, the Board office shall issue a written notice of eligibility to the applicant and the NABP.
    - d. If the Board office finds deficiencies during the substantive review of an application or registration form, the Board office shall issue a written request to the applicant for additional documentation.
    - e. The 20-day time-frame for a substantive review of eligibility to take the NAPLEX or ~~AZPLEX MPJE~~ is suspended from the date of a written request for additional documentation until the date that all documentation is received. The applicant shall submit the additional documentation ~~in accordance with~~ according to subsection (F)(2).
    - f. If the applicant and the Board office mutually agree in writing, the 20-day substantive review time-frame may be extended once for no more than 10 days.
  5. For the purpose of A.R.S. § 41-1072 et seq., the Board establishes the following time-frames for licensure by examination.
    - a. Administrative completeness review time-frame: 20 days.
    - b. Substantive review time-frame: 20 days.
    - c. Overall time-frame: 40 days.

**R4-23-203. Licensure by Reciprocity**

- A. Eligibility. A person is eligible for licensure by reciprocity who:
  1. Is licensed as a pharmacist in a jurisdiction that provides reciprocity to Arizona licensees;
  2. Has passed the NABPLEX or NAPLEX with a score of 75 or better or was licensed by examination in another jurisdiction having essentially the same standards for licensure as this state at the time the pharmacist was licensed;
  3. Provides evidence to the Board of having completed the required secondary and professional education and training specified in R4-23-202(A);
  4. Has engaged in the practice of pharmacy for at least one year or has met the internship requirements of Article 3 within the year immediately before the date of application; and
  5. Has actively practiced as a pharmacist for 400 or more hours within the last calendar year or has an Arizona graduate intern license and has completed 400 hours of internship training in ~~an~~ a Board-approved internship training site.
- B. Application.
  1. An applicant for licensure by reciprocity shall file with the Board office:
    - a. A completed application for licensure by reciprocity form; and
    - b. A completed ~~AZPLEX MPJE~~ registration form.
  2. The Board office shall deem an application or registration form received on the date that the Board office stamps on the application or registration form as ~~the that~~ form is ~~delivered to~~ received by the Board office.
  3. An applicant for licensure by reciprocity shall:
    - a. Make application on a form furnished by the Board, and
    - b. Submit with the application for licensure by reciprocity form:
      - i. The documents specified in the application form, and
      - ii. The reciprocity and examination fee specified in R4-23-205(B) and (C) and made payable to the Arizona State Board of Pharmacy by money order or certified or personal check.
  4. An applicant for licensure by reciprocity shall:
    - a. Make ~~AZPLEX MPJE~~ registration on a form furnished by the Board or NABP; and
    - b. Submit with the registration form:
      - i. The documents specified in the registration form; and

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- ii. The examination fee specified by and made payable to NABP by money order, certified check, or bank draft.
5. The Board office shall deem an application for licensure by reciprocity form or ~~AZPLEX~~ MPJE registration invalid after 12 months from the date the Board office determines an application or registration form is complete. An applicant whose application or registration form is invalid and who wishes to continue licensure procedures, shall submit a new application or registration form and fee.
- C. Passing grade; notification; re-examination.
  1. To pass the required examination, an applicant shall obtain a score of at least 75 on the ~~AZPLEX~~ MPJE.
  2. The Board office shall:
    - a. Retrieve an applicant's ~~AZPLEX~~ MPJE score from the NABP online database no later than two weeks after the applicant's examination date; and
    - b. Mail an applicant's ~~AZPLEX~~ MPJE score to the applicant no later than seven days after the Board office receives the applicant's score from NABP.
  3. An applicant who fails the ~~AZPLEX~~ MPJE may apply to retake the examination within the 12-month period specified in subsection (B)(5). An applicant applying to retake an examination shall submit to the Board office a completed ~~AZPLEX~~ MPJE registration form and pay the examination fee specified by and made payable to NABP by money order, certified check, or bank draft. An applicant who fails the ~~AZPLEX~~ MPJE three times shall petition the Board for permission before retaking the examination.
- D. Licensure. The Board office shall issue a certificate of licensure to a successful applicant upon receipt of the licensure fee specified in R4-23-205(A)(1)(a). The Board office shall:
  1. Provide a receipt for payment of the licensure fee to an applicant who delivers a payment in person; or
  2. Mail a receipt for payment of the licensure fee to an applicant within one working day of receiving the payment by mail or other delivery service.
- E. Time-frames for licensure by reciprocity. The Board office shall follow the time-frames established for licensure by examination in R4-23-202(F).

**ARTICLE 3. INTERN TRAINING AND PHARMACY INTERN PRECEPTORS**

**R4-23-301. Intern Licensure**

- A. Licensure as a pharmacy intern or graduate intern is for the purpose of complementing the individual's academic or experiential education in preparation for licensure as a pharmacist. An applicant may request a waiver of intern licensure requirements by submitting a written request and appearing in person at a Board meeting.
- B. The prerequisites for licensure as a pharmacy intern are:
  1. Current enrollment, in good standing, in a Board-approved college or school of pharmacy; or
  2. Graduation from a college or school of pharmacy that is not approved by the Board; and
  3. Proof that the applicant received:
    - a. A passing score on the Foreign Pharmacy Graduate Equivalency Examination (FPGEE); or
    - b. Acceptance to take the FPGEE; or
  4. By order of the Board if the Board determines the applicant needs intern training.
- C. ~~If the Board determines that~~ a pharmacy intern licensee stops attending pharmacy school classes before completing the pharmacy school's requirements for graduation under circumstances indicating the licensee does not intend to continue the licensee's pharmacy education, the licensee shall immediately stop practicing as a pharmacy intern and surrender the pharmacy intern license to the Board or the Board's designee no later than 30 days after the date of the last attended class, unless the licensee requests and is granted permission by the Board to continue working as a pharmacy intern. A student re-entering a pharmacy program who wishes to continue internship training shall reapply for pharmacy intern licensure.
- D. The prerequisites for licensure as a graduate intern are:
  1. Graduate from a Board-approved college or school of pharmacy, and
  2. Apply for licensure as a pharmacist by examination or reciprocity, or
  3. By order of the Board if the Board determines that the applicant needs intern training.
- E. Experiential training. Intern training shall include the activities and services encompassed by the term "practice of pharmacy" as defined in A.R.S. § 32-1901.
- F. Out-of-state experiential training. An intern shall receive credit for intern training received outside this state if the Board determines that the intern training requirements of the jurisdiction in which the training was received are equal to the minimum requirements for intern training in this state. An applicant seeking credit for intern training received outside this state shall furnish a certified copy of the records of intern training from:
  1. The board of pharmacy or the intern licensing agency of the other jurisdiction where the training was received; or
  2. In a jurisdiction without an intern licensing agency, the director of the applicant's Board-approved college or school of pharmacy's experiential training program.
- G. Management required to verify intern's qualifications. An owner, manager, or pharmacist-in-charge shall not permit a person to act as a pharmacy or graduate intern until the owner, manager, or pharmacist-in-charge verifies that the person is currently licensed by the Board as a pharmacy or graduate intern.

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- H. Intern application. An applicant for licensure as a pharmacy intern or graduate intern shall:
1. Ensure that the applicant's college or school of pharmacy provides documentation to the Board of the applicant's current enrollment or graduation; and
  2. File an application on a form furnished by the Board, that includes:
    - a. Applicant's name, address, mailing address, if different, telephone number, and social security number;
    - b. Name and address of college or school of pharmacy attending or attended, degree anticipated or received, and anticipated date or date of graduation;
    - c. Whether the applicant has ever been convicted of an offense involving moral turpitude, a felony offense, or any drug-related offense or has any currently pending felony or drug-related charges, and if so, indicate charge, conviction date, jurisdiction, and location;
    - d. Whether the applicant has ever had an intern license revoked, suspended, or denied in this state or any other jurisdiction, and if so, indicate where and when;
    - e. A recent photograph of the applicant that is no larger than 2 1/2" x 3" with the applicant's signature on the front;
    - f. If the applicant graduated from an unapproved college or school of pharmacy, a verification of acceptance to take the FPGEE or an original Foreign Pharmacy Graduate Equivalency Committee (FPGEC) certification document;
    - g. Date signed and applicant's verified signature; and
    - h. The initial licensure fee specified in R4-23-205.
- I. Licensure. Within seven business days of receipt of a completed application, fees, and other information specified in subsection (H), the Board office shall ~~issue a determination~~ determine whether an application is complete. If the application is complete, the Board office shall issue a license number and mail a current renewal receipt to an applicant. An applicant who is issued a license number may begin practice as a pharmacy intern or graduate intern. The initial licensure fee shall include the issuance of a wall certificate. The Board office shall mail the wall certificate to the licensee within 14 days of issuing the license number. If the application is incomplete, the Board office shall issue a notice of incompleteness. An applicant with an incomplete application shall comply with the requirements of R4-23-202(F)(2) and (3).
- J. License renewal. ~~An A pharmacy intern license shall be kept remain~~ in good standing by payment of the biennial renewal fee specified in R4-23-205. If a pharmacy intern fails to graduate from a Board-approved college or school of pharmacy within six years from the date the Board issues the intern license, the intern is not eligible for relicensure as an intern unless the intern obtains Board approval as specified in A.R.S. § 32-1923(E). If the biennial renewal fee is not paid by November 1 of the renewal year specified in A.R.S. § 32-1925, the intern license is suspended and the licensee shall pay a penalty as provided in A.R.S. § 32-1925 to vacate the suspension.
- K. Notification of training.
1. A pharmacy intern who is employed as an intern outside the experiential training program of a Board-approved college or school of pharmacy or a graduate intern shall notify the Board within ten days of starting or terminating training, or changing training site.
  2. The director of a Board-approved college or school of pharmacy's experiential training program shall provide the Board an intern training report as specified in R4-23-304(B)(3).

**R4-23-304. Reports**

- A. Change of employment or mailing address. A pharmacy intern or graduate intern shall notify the Board within 10 days of change of employment or mailing address.
- B. Quarterly reports.
1. A pharmacy intern who is a graduate of a college or school of pharmacy that is not approved by the Board or is a graduate intern shall provide the Board quarterly intern training reports for the duration of training. ~~A The pharmacy intern shall file a~~ quarterly intern training report ~~shall be filed~~ October 1, January 1, April 1 and July 1 for the preceding quarter, regardless of whether the intern was in training ~~or not~~ during the quarter. A quarterly intern training report is delinquent if not received at the Board's office 30 days after the due date. The Board shall write the intern to acknowledge receipt of the reports and notify the intern of the remaining hours of training ~~required~~ necessary for licensure. A quarterly intern training report shall include:
    - a. Intern's name, address, and license number;
    - b. Training site name and address;
    - c. Pharmacy intern preceptor's name and license number;
    - d. Whether the report is for the first quarter (Jan.-Mar.), second quarter (Apr.-June), third quarter (July-Sept.), or fourth quarter (Oct.-Dec.);
    - e. Number of intern training hours per week, specified by week ending date (month, day, year) and total number of intern training hours for the quarter; and
    - f. Date signed and pharmacy intern preceptor's signature verifying that the pharmacy intern preceptor has been actively engaged in the practice of pharmacy for at least one year and that the pharmacy intern preceptor supervised the intern training of the pharmacy or graduate intern identified in the quarterly intern training report.
  2. A pharmacy intern seeking credit for intern training hours received outside an approved college or school of pharmacy's experiential training program shall provide the Board a quarterly intern training report as specified in subsec-

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- tion (B)(1).
3. After graduation and before sitting for the NAPLEX or AZPLEX MPJE, a pharmacy intern who is a graduate of a Board-approved college or school of pharmacy shall ensure that the director of the Board-approved college or school of pharmacy's experiential training program provides the Board an intern training report that includes:
    - a. A list of all training sites where training occurred during any part of the entire training program including addresses and telephone numbers;
    - b. The dates and number of training hours experienced, by training site and total;
    - c. The name of the pharmacy intern preceptor, if applicable, for each training site; and
    - d. The date signed and experiential training program director's signature verifying that the pharmacy intern successfully completed the experiential training program.

**NOTICE OF FINAL RULEMAKING**

**TITLE 18. ENVIRONMENTAL QUALITY**

**CHAPTER 8. DEPARTMENT OF ENVIRONMENTAL QUALITY  
WASTE MANAGEMENT**

**PREAMBLE**

**1. Sections Affected**

R18-8-260  
R18-8-261  
R18-8-263  
R18-8-264  
R18-8-265  
R18-8-266  
R18-8-268  
R18-8-270  
R18-8-271

**Rulemaking Action**

Amend  
Amend  
Amend  
Amend  
Amend  
Amend  
Amend  
Amend  
Amend

**2. The statutory authority for the rulemaking, including both the authorizing statutes (general) and the statutes the rules are implementing (specific):**

Authorizing statutes: A.R.S. §§ 41-1003, 49-104  
Implementing statute: A.R.S. § 49-922

**3. The effective date of the rules:**

December 4, 2004

**4. A list of all previous notices appearing in the Register addressing the final rule:**

Notice of Rulemaking Docket Opening: 10 A.A.R. 1399, April 9, 2004  
Notice of Proposed Rulemaking: 10 A.A.R. 1378, April 9, 2004

**5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Denise L. McConaghy, Senior Environmental Engineer  
Address: Department of Environmental Quality  
Waste Programs Division  
1110 W. Washington  
Phoenix, AZ 85007  
Telephone: (602) 771-4110 or (800) 234-5677, enter 771-4110 (Arizona only)  
Fax: (602) 771-4138  
TTD: (602) 771-4829  
E-mail: dlm@ev.state.az.us

**6. An explanation of the rule, including the agency's reason for initiating the rule:**

The Department of Environmental Quality (DEQ) is amending the state's hazardous waste rules to incorporate the new text in the federal regulations implementing Subtitle C of the Resource Conservation and Recovery Act (RCRA), as amended by the Hazardous and Solid Waste Amendments of 1984 (HSWA). This rulemaking will fulfill the United States Environmental Protection Agency's (EPA's) reauthorization requirement that states implementing the hazardous waste management program incorporate amendments promulgated in the federal regulations through adoption of those changes into the state rules. This rulemaking complies with A.R.S. § 49-922. Arizona's hazardous waste rules

are largely identical to the federal regulations under RCRA, as amended by HSWA, because the rules have incorporated the federal regulations by reference. Arizona's hazardous waste rules, found in 18 A.A.C. 8, Article 2, are well established and have been effective since 1984. The amendments in this rulemaking adopt changes to the federal regulations promulgated between June 30, 2000 and July 1, 2002.

Explanation of the rules:

A.R.S. § 49-922 requires DEQ to adopt rules implementing a program that is equivalent to and consistent with federal hazardous waste regulations. The federal regulations are found in the Code of Federal Regulations (CFR) at 40 CFR 260 through 273. Currently, subsection (A) of R18-8-260, 261, 262, 264, 265, 266, 268, 270 and 273 incorporate by reference 40 CFR 260 through 262, 264 through 266, 268, 270, and 273 as of July, 2000. Subsection (C) of R18-8-260 also incorporates 40 CFR 260. Subsection (A) of R18-8-263 incorporates by reference 40 CFR 263 as of July 1, 1999, and subsection (A) of R18-8-271 incorporates by reference 40 CFR 124 as of July 1, 1999. This rulemaking replaces the references to July 1, 1999 and July 1, 2000, with July 1, 2002 in the incorporations by reference for subsection (A) of Sections R18-8-260, 261, 264, 265, 266, 268, 270, and 271, and subsection (C) of R18-8-260.

EPA has promulgated changes to the RCRA regulations since Arizona incorporated the July 1, 1999 and July 1, 2000 amendments. These amendments were published in the Federal Register. DEQ staff relied on the Federal Register notices for descriptions of the amendments and for EPA's assessment of the economic impacts of the changes.

The EPA requires that Arizona be annually reauthorized to manage the federal hazardous waste program. Without this reauthorization, the EPA, rather than DEQ, would administer the hazardous waste program in Arizona. DEQ first received authorization to implement the RCRA program in 1985. DEQ seeks to continue administering Arizona's hazardous waste program, and thus complies with the federal requirements for reauthorization; this includes adopting changes to the state rules that reflect the recent amendments to federal RCRA regulations.

In evaluating a state's reauthorization application, the EPA uses checklists to determine if the state's rules reflect amendments to the federal regulations promulgated between June 30 of one year, and July 1 of the next year. This rulemaking incorporates federal amendments promulgated as of July 1, 2002.

In addition to incorporating the federal regulations through July 1, 2002, this rulemaking tailors the new text of the federal regulations, when necessary, to conform the language to Arizona's rules for administering the hazardous waste program. DEQ does not intend the changes to the incorporated text to substantively change the federal regulations. For example, the federal regulations refer to the EPA as the implementing agency, but because Arizona is authorized to administer its hazardous waste program, most references to the implementing agency as "EPA" are replaced with "DEQ."

In addition to incorporating federal regulations, with technical changes, this rulemaking: corrects errors; updates the rules to reflect amendments to state statute; clarifies DEQ's existing practices; and makes the language more clear and concise. These amendments are described under the heading, "Department-initiated changes."

DEQ believes this rulemaking will benefit the public. Most of the federal regulations incorporated by reference in this rulemaking are required for reauthorization. Adoption of federal regulations will also benefit the regulated community, in particular, by promoting regulatory uniformity among states.

Description of the Federal Register notices that made changes to the incorporated federal regulations between June 30, 2000 and July 1, 2002:

**65 FR 42292-42302, 66 FR 24270-24272, 66 FR 35087-35107 - NESHAPs: Final Standards for Hazardous Air Pollutants for Hazardous Waste Combustors, Technical Corrections**

On September 30, 1999, EPA published the Hazardous Waste Combustors National Emission Standards for Hazardous Pollutants (NESHAPs) final regulation. On November 19, 1999, EPA published the first technical correction, which corrected typographical errors, clarified issues, and added gas turbines (inadvertently excluded from the list of approved fuel burners in the NESHAPs revision) to the list of approved burners for comparable/syngas fuel burners under 40 CFR 261.38(c)(ii)(2).

In *Chemical Manufacturers Association v. EPA*, the United States Circuit Court of Appeals for the District of Columbia (the Court) found invalid provisions of EPA's regulations that set a bifurcated schedule for owners or operators of hazardous waste combustors to comply with new emissions standards. Specifically, the Court vacated the regulation's requirements that hazardous waste combustors either submit to EPA a Notice of Intent to Comply (NIC) with the new standards within one year of the regulations' effective date, if they intended to continue combusting hazardous wastes, or submit a notice of "intent not to comply" within two years, if they intended to stop combusting hazardous waste. The Court struck the bifurcated schedules provisions after finding that EPA lacked the statutory authority to have two compliance schedules instead of one. In order to have statutory authority necessary for these compliance schedules, EPA would have to demonstrate to the Court that the early cessation program would produce environmental benefits. *Chemical Manufacturers Association v. EPA*, 217 F.3d 861, 864 (D.C. Cir. 2000). 66 FR 24270 changed the NIC provision referred to in the permit modification procedures in 40 CFR 270.

The revisions of 66 FR 35087 clarified 40 CFR 264.340, primarily in compliance, testing, and monitoring. These revisions made it easier to comply with the September 30, 1999 final regulation.

**65 FR 67068-67133 - Hazardous Waste Management System; Identification and Listing of Hazardous Waste; Chlorinated Aliphatics Production Wastes; Land Disposal Restrictions for Newly Identified Wastes; and CERCLA Hazardous Substance Designation and Reportable Quantities**

This revision added two wastes (K174 and K175) generated by the chlorinated aliphatics industry to the list of hazardous wastes at 40 CFR 261.32. Listing these wastes subjects them to stringent management and treatment standards under RCRA and to emergency notification requirements for releases of hazardous substances into the environment. This revision established a contingent-management listing approach for one of these wastes. Under the contingent-management listing determination, the waste will not be a listed hazardous waste if it is sent to a specific type of management facility.

This revision determined not to list as hazardous four wastes generated by the chlorinated aliphatics industry.

**65 FR 81373-81381 - Deferral of Phase IV Standards for PCBs as a Constituent Subject to Treatment in Soil**

This revision temporarily deferred 40 CFR 268 requirements applying Land Disposal Restrictions (LDRs) under RCRA to constituents subject to treatment (CST) in soils contaminated with certain characteristic hazardous wastes. Specifically, the requirement that polychlorinated biphenyls (PCBs) be considered a CST when present in soils that exhibit the Toxicity Characteristic for metals was temporarily deferred. Generators are still required to treat these soils to meet LDR standards for all hazardous constituents except PCBs and are required to treat PCBs if the total concentration of halogenated organic compounds in the soil equals or exceeds 1000 parts per million.

**66 FR 27218-27266 - Storage, Treatment, Transportation, and Disposal of Mixed Waste**

This revision provided two separate conditional exemptions, first, for low-level mixed wastes (LLMW) from most RCRA Subtitle C storage and treatment regulations and, second, LLMW and technologically enhanced naturally occurring and/or accelerator-produced radioactive material (NARM) from most RCRA Subtitle C manifest, transport, and disposal regulations when specified conditions are met. This revision is codified as 40 CFR 266, Subpart N.

**66 FR 27266-27297 - Hazardous Waste Identification Rule (HWIR): Revisions to the Mixture and Derived-From Rules**

This revision retained the mixture rule and the derived-from rule, codified in 40 CFR 261.3, with two revisions: expansion of the exclusion for mixtures and/or derivatives of wastes listed solely for the ignitability, corrosivity and/or reactivity characteristic; and a new conditional exemption from the mixture and derived-from rules for mixed wastes.

This revision corrected an error in 65 FR 36365 that inadvertently removed the entry for the hazardous waste code U048 from 40 CFR Part 268, Appendix VII.

**66 FR 34374-34376 - Change of EPA Mailing Address; Additional Technical Amendments and Corrections**

This revision updated EPA's Headquarter's official mailing address in 40 CFR 260.11.

**66 FR 50332-50334 - Correction to the Hazardous Waste Identification Rule (HWIR): Revisions to the Mixture and Derived-From Rules**

This revision clarified the revisions to the mixture rule (40 CFR 261.3) found in 66 FR 27266. The revision clarified that mixtures of Bevill wastes, and mixtures of hazardous wastes listed solely because they contain a characteristic of ignitability, corrosivity, and/or reactivity, are exempt once the characteristic has been removed.

**66 FR 58258-58300, 67 FR 17119-17120 - Hazardous Waste Management System; Identification and Listing of Hazardous Waste: Inorganic Chemical Manufacturing Wastes; Land Disposal Restrictions for Newly Identified Wastes; and CERCLA Hazardous Substance Designation and Reportable Quantities**

EPA added three inorganic chemical manufacturing wastes designated as K176, K177, and K178 to the list of hazardous wastes found in 40 CFR 261. This listing subjected the wastes to RCRA Subtitle C management and treatment standards, and to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) emergency notification requirements for releases into the environment. This revision added the toxic constituents in these wastes to the list of constituents used to classify wastes as hazardous, and established treatment standards for the wastes. This revision subjected the three inorganic chemical manufacturing wastes to the universal treatment standards under the LDR program. The revision included the April 9, 2002 correction of errors made in the Treatment Standards for Hazardous Waste table at 40 CFR 268.40.

**67 FR 2962-3029 - Amendments to the Corrective Action Management Unit Rule**

EPA amended the 1993 Corrective Action Management Unit (CAMU) rule, 40 CFR 264, Subpart S, to facilitate treatment, storage and disposal of hazardous wastes managed for implementing cleanup, and to remove cleanup disincentives that RCRA can create. This revision amended the 1993 CAMU rule as follows, it:

- a. Defined "CAMU eligible waste" distinctly from the 40 CFR 260.10 definition of "remediation waste;"
- b. Provided more detailed minimum design and operating standards for CAMUs in which waste remains after closure, with opportunities for alternative designs;

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- c. Established treatment requirements for wastes placed in CAMUs;
- d. Provided more specific CAMU application information requirements, including public notice and opportunity for comment before final CAMU determination;
- e. Established requirements for CAMUs used only for treatment and storage;
- f. "Grandfathered" certain types of existing CAMUs.

EPA allowed for staging pile mixing, blending, and other similar physical operations that prepare wastes for later management or treatment. This revision allowed off-site placement of hazardous CAMU-eligible waste in hazardous waste landfills, if treated to meet CAMU standards. This revision granted interim authorization for the new CAMU amendments to states currently authorized to implement the 1993 CAMU rule. Lastly, this revision expedited state authorization for the CAMU rule for states that have authorization for RCRA corrective action, but not the 1993 CAMU rule.

Note: Arizona is currently authorized to implement the 1993 CAMU rule. Because Arizona did not notify EPA Region 9 of its intent to use the CAMU amendments to regulate CAMUs, however, the state has not been granted interim authorization.

**67 FR 6792-6818 - NESHAPs: Interim Standards for Hazardous Air Pollutants for Hazardous Waste Combustors (Interim Standards Rule)**

Portions of the NESHAPs rule, codified in 40 CFR 266, promulgated in September and November 1999 were vacated by the U.S. Court of Appeals for the District of Columbia Circuit on July 24, 2001. In October 2001, EPA and all petitioners made a joint motion for the Court to stay its order. Because the Court's decision would have left the EPA without standards, the Court stayed its order, so that EPA would have an opportunity to develop interim standards. These interim standards, which will replace the vacated standards until final standards are promulgated, amend 40 CFR 264, 265, 266 and 270.

In general, this revision amended the September 1999 NESHAPs rule to accommodate the parties' joint motion. This revision replaced the vacated emission standards temporarily, until final standards are promulgated.

**67 FR 6968-6996 - NESHAPs: Standards for Hazardous Air Pollutants for Hazardous Waste Combustors; Final Rule**

This revision corrects technical errors made in 40 CFR 266, when EPA established standards for hazardous waste-burning cement kilns, lightweight aggregate kilns, and incinerators.

**67 FR 11251-11254 - Hazardous Waste Management System; Definition of Solid Waste; Toxicity Characteristic**

This revision was made in response to vacatur ordered by the United States Circuit Court of Appeals for the District of Columbia. The Court vacated two parts of the May 26, 1998, Phase IV LDR rule codified in 40 CFR 261, in response to a legal challenge from trade groups. The Court's order vacated the provisions that: 1) "asserted jurisdiction and imposed conditions over mineral processing characteristic by-products and sludges being stored prior to being recycled in beneficiation or primary mineral processing operations;" and 2) provided for use of the Toxicity Characteristic Leaching Procedure (TCLP) for determining whether a manufactured gas plant (MGP) waste displays the characteristic of toxicity. 67 FR 11251, 11252 (March 13, 2002).

Department-initiated changes:

**R18-8-260(A)**

DEQ is adding the phrase "and no future editions" after the date that indicates the cut-off point for amendments to the federal regulations that are incorporated into state rules. This phrase is being added because it is required by A.R.S. § 41-1028. The wording used to describe the sections of the CFR is also changed to make the language more clear and understandable. DEQ is deleting the phrase "and the Secretary of State" to reflect an amendment to A.R.S. § 41-1028 that removed the requirement that incorporated materials be filed with the Secretary of State. DEQ is also deleting "adopted" and adding "revised" to mirror the language used in the official publication of the Code of Federal Regulations.

**R18-8-260(B)**

DEQ is adding language indicating that the subsection labeling in this Article may or may not conform to the Secretary of State's formatting rules. This Article mirrors the formatting and structure of the incorporated regulations as printed in the Code of Federal Regulations, rather than conforming to the Secretary of State's formatting and structure requirements for state rules. As such, the rules in this Article often differ from other state rules in their appearance. This change will make the rules more clear and understandable.

**R18-8-260(C) and R18-8-261(A)**

DEQ is deleting the phrase "and the Secretary of State" to reflect an amendment to A.R.S. § 41-1028. DEQ is also deleting the phrase "as amended" and adding "revised" to mirror the language of the CFRs.

**R18-8-261(C)**

DEQ is deleting an earlier change to federal regulatory language in 40 CFR 261.4(a)(4). This amendment will make Arizona's rules consistent with the federal regulations.

**R18-8-263(A)**

DEQ is deleting the phrase "and the Secretary of State" to reflect an amendment to A.R.S. § 41-1028. DEQ is also deleting the phrase "as amended" and adding "revised" to mirror the language of the CFRs.

**R18-8-263(B)**

The phrase "Technical Programs" is changed to "Facilities Assistance" to reflect an organizational change within DEQ. The address "3033 N. Central Ave." and the zip code "85012" are changed to "1110 W. Washington St." and "85007," to reflect DEQ's recent move. "ADEQ" is changed to "DEQ" to be consistent with the rest of the Article.

**R18-8-263(E)**

The phrase "and Compliance" is added to reflect a previous organizational change within DEQ. The address "3033 N. Central Ave." and the zip code "85012" are changed to "1110 W. Washington St." and "85007," to reflect DEQ's recent move.

**R18-8-264(A)**

DEQ is deleting the phrase "and the Secretary of State" to reflect an amendment to A.R.S. § 41-1028. DEQ is also deleting the phrase "as amended" and adding "revised" to mirror the language of the CFRs.

**R18-8-264(F)**

The phone numbers "(602) 207-2330" and "800/234-5677 extension 2330" are changed to "(602) 771-2330" and "(800) 234-5677 extension 771-2330," to reflect DEQ's recent move.

**R18-8-265(A), R18-8-266(A), R18-8-268 and R18-8-270(A)**

DEQ is deleting the phrase "and the Secretary of State" to reflect an amendment to A.R.S. § 41-1028. DEQ is also deleting the phrase "as amended" and adding "revised" to mirror the language of the CFRs.

**R18-8-270(G)(2)**

This amendment will change the rule to specifically address application processing fees for post-closure permits. This revision adds two subsections: (a) "Permits other than post-closure" and (b) "post-closure permits." Subsection (a) contains the original rule text and subsection (b) contains the original rule text with the phrase "and such difference shall be paid in full before DEQ shall issue the permit" deleted.

**R18-8-270(Q)**

DEQ is amending this rule to correct an oversight in its incorporation of 40 CFR 270.51. Paragraph (d) is amended to add ", joint EPA/DEQ or DEQ." This allows continuation of joint, EPA and DEQ, or DEQ-issued permits consistent with EPA-issued permits. This reflects current DEQ practices.

**R18-8-271(A)**

DEQ is deleting the phrase "and the Secretary of State" to reflect an amendment to A.R.S. § 41-1028. DEQ is also deleting the phrase "as amended" and adding "revised" to mirror the language of the CFRs.

**R18-8-271(S)**

DEQ is amending this rule to correct a typographical error found in 40 CFR 124. Reference to "124.31(a)" is replaced by "124.32(a)".

**7. A reference to any study relevant to the rule that the agency reviewed and either relied on in its evaluation of or justification for the rule or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

- a. 65 FR 42292-42302 - NESHAPs: Final Standards for Hazardous Air Pollutants for Hazardous Waste Combustors, July 10, 2000.
- b. 66 FR 24270-24272 - NESHAPs: Final Standards for Hazardous Air Pollutants for Hazardous Waste Combustors, May 14, 2001.
- c. 66 FR 35087-35107 - NESHAPs: Final Standards for Hazardous Air Pollutants for Hazardous Waste Combustors, July 3, 2001.
- d. 65 FR 67068-67133 - Hazardous Waste Management System; Identification and Listing of Hazardous Waste; Chlorinated Aliphatics Production Wastes; Land Disposal Restrictions for Newly Identified Wastes; and CERCLA Hazardous Substance Designation and Reportable Quantities; November 8, 2000.

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- e. 65 FR 81373-81381 - Deferral of Phase IV Standards for PCB's as a Constituent Subject to Treatment in Soil, December 26, 2000.
- f. 66 FR 27218-27266 - Storage, Treatment, Transportation, and Disposal of Mixed Waste, May 16, 2001.
- g. 66 FR 27266-27297 - Hazardous Waste Identification Rule (HWIR): Revisions to the Mixture and Derived-from Rules, May 16, 2001.
- h. 66 FR 34374-34376 - Change of Official EPA Mailing Address; Additional Technical Amendments and Corrections, June 28, 2001.
- i. 66 FR 50332-50334 - Correction to the Hazardous Waste Identification Rule (HWIR): Revisions to the Mixture and Derived-From Rules; Direct Final Rule; October 3, 2001.
- j. 66 FR 60153-60154 - Correction to the Hazardous Waste Identification Rule (HWIR): Revisions to the Mixture and Derived-From Rules: Delay of Effective Date; Reopening of Comment Period; December 3, 2001.
- k. 66 FR 58258-58300 - Hazardous Waste Management System; Identification and Listing of Hazardous Waste: Inorganic Chemical Manufacturing Wastes; Land Disposal Restrictions for Newly Identified Wastes; and CERCLA Hazardous Substance Designation and Reportable Quantities; November 20, 2001.
- l. 67 FR 17119-17120 - Hazardous Waste Management System; Identification and Listing of Hazardous Waste: Inorganic Chemical Manufacturing Wastes; Land Disposal Restrictions for Newly Identified Wastes; and CERCLA Hazardous Substance Designation and Reportable Quantities; April 9, 2002.
- m. 67 FR 2962-3029 - Amendments to the Corrective Action Management Unit Rule, January 22, 2002.
- n. 67 FR 6792-6818 - NESHAPs: Interim Standards for Hazardous Air Pollutants for Hazardous Waste Combustors (Interim Standards Rule), February 13, 2002.
- o. 67 FR 6968-6996 - NESHAPs: Standards for Hazardous Air Pollutants for Hazardous Waste Combustors (Final Amendments Rule), February 14, 2002.
- p. 67 FR 11251-11254 - Hazardous Waste Management System; Definition of Solid Waste; Toxicity Characteristic; March 13, 2002.

DEQ relied on the Federal Register notices for notice of the federal regulatory changes to be incorporated into the state's rules and to develop the economic impact statement. The public may view these notices online at <http://www.gpoaccess.gov/fr/index.html>, or by visiting DEQ's offices.

**8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

**9. The summary of the economic, small business and consumer impact:**

Identification of the proposed rulemaking:

This rulemaking amends rules codified in Title 18, Chapter 8, Article 2, as follows: replaces July 1, 1999 and July 1, 2000, with July 1, 2002, in the incorporations by reference, in compliance with A.R.S. § 49-922; tailors the text of the federal regulations so that it complies with Arizona's hazardous waste program; corrects errors; updates the rules to reflect changes in state statute; clarifies DEQ's existing practices; and makes the language more clear and concise.

Background

EPA requires a process called "reauthorization" of Arizona's hazardous waste management program so that DEQ may continue to manage and receive EPA funding for the federal hazardous waste program. In absence of this authorization, EPA would administer the program in Arizona. As part of its reauthorization process, EPA requires DEQ to adopt rules that incorporate the changes promulgated in the federal regulations between June 30 of one year and July 1 of the next year. DEQ adopts these rules under the authority given in A.R.S. § 49-922, which requires DEQ: *to adopt rules to establish a hazardous waste management program equivalent to and consistent with the federal hazardous waste regulations promulgated pursuant to subtitle C of RCRA*. In 1985, EPA first authorized DEQ to administer the federal hazardous waste program in Arizona. DEQ continues to apply for reauthorization and complies with changes to federal regulations.

This rulemaking incorporates changes promulgated as of July 1, 2002, and tailors the incorporated text, when necessary, to conform to Arizona's hazardous waste program rules; DEQ does not intend these amendments to substantively change the meaning of the federal regulations.

Changes made by DEQ including technical and conforming changes to the incorporated federal regulations, correction of errors, updating the rules to reflect changes made to state statute, clarifying DEQ's existing practices, and making the language more clear and concise are described under the heading, "Department-initiated changes."

DEQ believes this rulemaking will benefit the state. Most of the federal regulations incorporated by reference in this rulemaking are required for reauthorization. Adoption of federal regulations also benefits stakeholders, in particular, by promoting regulatory uniformity between states.

Limitations of the data:

Adequate data are not reasonably available to comply with the requirements of A.R.S. § 41-1055(B). The following discussion is offered pursuant to A.R.S. § 41-1055(C). DEQ is unable to estimate the number of facilities impacted by some of the changes made in the incorporated federal regulations. Two databases contain information on regulated facilities and entities: the Arizona Unified Repository for Informational Tracking of the Environment (AZURITE) and the Revenue Management System (RMS). These databases are not set up to track certain information, and updates do not always keep pace with all data needs. In this instance, DEQ could not determine the numbers of the following impacted entities:

- a. Entities that are also state agencies;
- b. Entities that are also subdivisions of the state;
- c. Entities that are also small businesses.

Methods used to obtain data:

DEQ used the AZURITE and RMS databases whenever possible to find the number of entities affected by the changes. DEQ then filled data gaps by interviewing experienced DEQ staff. Some of the rule changes have no significant economic impact in Arizona. An explanation of why there is no impact is provided for each change. For other incorporated changes, none of the impacted entities exist in Arizona, and thus, there was no economic impact ( $X \text{ times } Y = 0$ , where  $X = 0$  entities and  $Y =$  the cost to each entity).

Executive Order 12866 (58 FR 51735, October 4, 1993), requires the EPA to determine whether regulatory actions are significant. Only significant actions are subject to federal Office of Management and Budget review. A "significant regulatory action" is one that may:

- (1) Have an annual effect on the national economy of \$100 million or more, or adversely and materially affect a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or state, local, or tribal governments or communities;
- (2) Create a 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, loan programs, or the rights and obligation of recipients thereof; or
- (4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or through principles set out in Executive Order 12866.

The costs and benefits of incorporating updated federal regulations include the costs of all the changes made to the federal regulations between June 30, 2000 and July 1, 2002. These amendments were published in the Federal Register, and when the amendments constituted "significant regulatory actions," economic impact information was included in the publication. A list of all Federal Register publications used to develop the economic impact statement for the rulemaking are listed earlier in this document.

The EPA determined that many of the amendments to the federal regulations described below were not "significant regulatory actions." For those amendments to the federal regulations that impact Arizona entities, a summary of the economic information in each Federal Register notice follows.

Data sources

DEQ staff relied on the Federal Register notices to develop this economic impact statement. The public may view these notices online at <http://www.gpoaccess.gov/fr/index.html>, or by visiting DEQ's offices. Each study references its underlying data.

Summaries of economic information in the Federal Register notices:

65 FR 42292-42302 revises 40 CFR Parts 261 and 270. The federal revision corrected numerous typographical errors and clarified the NESHAPs final rule so that it is easier to understand and implement. Because these corrections and clarifications did not create new requirements, there is no economic impact from this notice.

66 FR 24270-24277 amended 40 CFR Part 270. In *Chemical Manufacturers Association v. EPA*, the United States Circuit Court of Appeals for the District of Columbia (the Court) found invalid provisions of EPA's regulations that set a bifurcated schedule for owners or operators of hazardous waste combustors to comply with new emissions standards. *Chemical Manufacturers Association v. EPA*, 217 F.3d 861, 864 (D.C. Cir. 2000). 66 FR 24270 changed the notice of intent to comply provision referred to in the permit modification procedures in 40 CFR Part 270.

66 FR 35087-35107 clarified 40 CFR 264.340, primarily in the areas of compliance, testing, and monitoring.

There are no hazardous waste combustors in Arizona, thus incorporation of this amendment of the federal regulations has no economic impacts in Arizona.

65 FR 67068-67133 added two wastes (K174 and K175) generated by the chlorinated aliphatics industry to the list of hazardous wastes at 40 CFR 261.32.

Persons directly affected by the amendment:

There are no ethylene dichloride or vinyl chloride manufacturers in Arizona. This amendment to the federal regulations will allow waste handlers to accept K174 and K175 wastes. Experienced DEQ staff report that two commercial facilities in Arizona may begin accepting these wastes. DEQ concludes that this change is likely to have a positive impact on these entities by allowing them to accept new waste and make new profits.

DEQ will potentially incur some costs in administering the new RCRA listings. Several additional stakeholders will also have to read the final rule (state government environmental departments, federal government offices, and management consulting services).

65 FR 81373-8138: This revision temporarily deferred 40 CFR 268, the requirement that polychlorinated biphenyls (PCBs) be considered a constituent subject to treatment (CST) in soils contaminated with certain characteristic hazardous wastes when present in soils that exhibit the Toxicity Characteristic (TC) for metals. Generators still must treat these soils to meet LDR standards for all hazardous constituents except PCBs. Generators still must treat PCBs if the total concentration of halogenated organic compounds in the soil equals or exceeds 1000 parts per million (ppm).

Persons directly affected by the amendment:

The overall economic impact of this deferral of LDR treatment standards for TC metal PCB-containing hazardous waste soils is \$47.6 million in cost savings. This revision will reduce the regulatory burden for all entities, including small businesses.

This revision imposed no enforceable duty on local governments. This revision contains no regulatory requirements that might significantly or uniquely affect local governments.

EPA intends this revision to encourage aggressive remediation of contaminated soils, and thus, to benefit all populations.

The EPA has not completed an economic impact analysis of this revision because of uncertainty regarding the identity of owner/operators of affected sites. Because this revision results in cost savings, any economic impact would be favorable to affected entities. Because affected entities would be subject to less stringent treatment requirements for PCBs in TC contaminated soils, they would only have to treat the metals in the soil, resulting in lower treatment costs and less expensive site cleanups.

66 FR 27218-27266 promulgated two separate conditional exemptions, first, for low-level mixed wastes (LLMW) from most RCRA Subtitle C storage and treatment regulations, and second, for LLMW and technologically enhanced naturally occurring and/or accelerator-produced radioactive material (NARM) from most RCRA Subtitle C manifest, transport, and disposal regulations, when specified conditions are met. This revision is codified as 40 CFR 266, Subpart N.

Persons directly affected by this amendment:

The conditional exemption for LLMW storage and treatment applies to any mixed waste generator that has a Nuclear Regulatory Commission (NRC) or NRC Agreement State license to possess radioactive material or to operate a nuclear reactor, so long as the waste is eligible and the generator can satisfy the conditions set forth in the rule.

The transportation and disposal exemption applies to generators of LLMW and eligible NARM so long as they meet all specified conditions. Facilities potentially affected by this rule include the following:

- a. Nuclear utilities that generate electricity using nuclear fuel and are licensed by the NRC.
- b. Universities and academic institutions at all levels that are licensed by NRC, or an NRC Agreement State, to use radionuclides for academic, biomedical, and research purposes.
- c. Medical facilities that are licensed by NRC, or a NRC Agreement State, to use radionuclides for health care purposes.
- d. Industrial establishments that are licensed by NRC, or a NRC Agreement State, to use radionuclides.
- e. Government facilities.
- f. Radioactive waste disposal facilities licensed by NRC or by a NRC Agreement State.

EPA expects the economic impact of this revision to be minimal. Generators not meeting regulatory disposal requirements will incur costs for treatment and disposal of wastes that had previously been in storage. EPA expects these costs to total about \$300,000 in aggregate across the nation. These are not true social costs because these generators were already liable for costs of treatment and disposal of these wastes. This amendment opens up disposal capacity for wastes that currently do not meet the waste acceptance criteria of the LLMW disposal facility.

By allowing LLMW to be disposed of as LLW, this revision may impact the national market for LLMW disposal of low-level waste (LLW), although EPA has not specifically modeled these impacts. The larger the volume added to the disposal market, the greater the effects are likely to be.

Generators taking advantage of storage or disposal exemptions will incur costs to meet notification conditions. The EPA estimates these costs to be \$200,000 per year, in the aggregate. There will also be some increased costs to DEQ

associated with notification conditions for generators and treaters of exempted LLMW sending their wastes for disposal at low-level radioactive waste disposal facilities and related implementation costs.

Other economic benefits from this rule may accrue in the following areas:

- a. Permitting cost savings. Generators needing RCRA permits only for storage or treatment of their mixed wastes will save permitting costs and associated corrective action costs.
- b. Other administrative cost savings. EPA expects DEQ, mixed waste generators, and federal and state agencies to save approximately \$700,000 nationally in administrative burden and costs.
- c. Decay-in-storage cost savings. The revision allows facilities to store certain wastes while the radioactivity decays. These wastes can then be treated and disposed of as hazardous waste, at less expense than LLMW treatment and disposal. EPA estimates aggregate cost savings from these types of waste will be between \$800,000 and \$2.6 million per year.
- d. Other disposal cost savings. This revision facilitates waste disposal in LLRWDFs, with DEQ approval and LLRWDFs acceptance of the wastes, as well as limitations of the low-level waste disposal compact system. EPA expects the savings from the disposal exemption will be at most \$100,000 per year.

66 FR 27266-27297 amended the mixture rule and the derived-from rule, codified in 40 CFR 261.3. It expanded the exclusion for mixtures and/or derivatives of wastes listed solely for the ignitability, corrosivity and/or reactivity characteristic. It introduced a conditional exemption from the mixture and derived-from rules for mixed wastes. It corrected an error in 65 FR 36365 that removed the entry for the hazardous waste code U048 from 40 CFR Part 268, Appendix VII.

Persons directly affected by this amendment:

Entities potentially affected by this action are industrial hazardous waste generators and entities that treat, store, transport and/or dispose of these wastes. EPA expects about 120 entities nationwide to benefit from the proposed revisions to 40 CFR 261.3 in 17 industrial sectors, but primarily in the chemicals and allied products sector (Standard Industrial Classification code 28, or North American Industry Classification System code 325). The complete list of potentially affected industrial entities based on industrial sectors identified in the EPA economic analysis that exist in Arizona may be viewed in the Economic Impact Statement for this rulemaking. DEQ does not track hazardous waste generators by SIC and NAICS code, and as such, it was impracticable to determine the number of affected entities in Arizona.

There are 29 RCRA hazardous codes listed solely for ignitability, corrosivity, and/or reactivity characteristics. This rule excludes those wastes from RCRA Subtitle C regulation, if such wastes are decharacterized and meet the associated LDR treatment standards. EPA analyzed the potential economic impact of excluding these 29 characteristically listed RCRA waste codes. EPA expects this exclusion to benefit the relevant segment of the RCRA regulated community by reducing shipping and disposal costs for these decharacterized wastes. A list of the entities expected to benefit by this revision may be found in the Economic Impact Statement for this rulemaking.

66 FR 34374-34376 updated 40 CFR 260.11 with the new EPA Headquarter's official mailing address. The public in general will benefit from this amendment. Because this change may affect anyone, the EPA did not attempt to describe all the specific entities that may be affected. This revision created no additional requirements, and as such, no economic impacts result from this change.

66 FR 50332-50334 clarified 40 CFR 261.3 by stating that mixtures of Bevill excluded wastes, and mixtures of hazardous wastes that are listed solely because they have a characteristic of ignitability, corrosivity, and/or reactivity, are exempt once the characteristic has been removed.

Persons directly affected by the amendment:

Persons directly affected by this rule are the same as those affected by 66 FR 27266-27297 - Hazardous Waste Identification Rule (HWIR): Revisions to the Mixture and Derived-From Rules. This rule has no significant regulatory impact because it only corrects and clarifies the revisions to the mixture rule, and creates no new regulatory requirements.

66 FR 58258-58300 and 67 FR 17119-17120 added to the list of hazardous wastes, found in 40 CFR 261, three inorganic chemical manufacturing wastes designated as K176, K177, and K178. This listing subjects the wastes to RCRA Subtitle C management and treatment standards and CERCLA emergency notification requirements for releases to the environment. The EPA added toxic constituents found in the newly listed wastes to the list of constituents that forms the basis for classifying wastes as hazardous and establishes treatment standards for the wastes. This revision subjects the three inorganic chemical manufacturing wastes to the universal treatment standards under the LDR program. This revision corrects errors made to the Treatment Standards for Hazardous Waste table at 40 CFR 268.40.

Persons directly affected by the amendment:

This revision affects those who handle the wastes that were added to EPA's list of hazardous wastes under the RCRA program (K176, K177 and K178) and entities that need to respond to releases of these wastes as CERCLA hazardous substances. There are no affected entities in Arizona.

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In 67 FR 2962-3029, the EPA revised the 1993 Corrective Action Management Unit (CAMU) rule, 40 CFR 264, Subpart S, to facilitate treatment, storage and disposal of hazardous wastes managed for implementing cleanup, to remove cleanup disincentives that RCRA can create. The 1993 CAMU rule was revised as follows, it:

- a. Defined "CAMU eligible waste" distinctly from the 40 CFR 260.10 definition of "remediation waste."
- b. Provided more detailed minimum design and operating standards for CAMUs in which waste remains after closure, with opportunities for alternative designs.
- c. Established treatment requirements for wastes placed in CAMUs.
- d. Provided more specific CAMU application information requirements, including public notice and opportunity for comment before final CAMU determination.
- e. Established requirements for CAMUs used only for treatment and storage.
- f. "Grandfathered" certain types of existing CAMUs.

This revision allowed for staging pile mixing, blending, and other similar physical operations to prepare wastes for subsequent management or treatment. This revision allows off-site placement of hazardous CAMU-eligible waste in hazardous waste landfills, if treated to meet CAMU standards. This revision granted interim authorization for the new CAMU amendments to states currently authorized for the 1993 CAMU rule. Lastly, this revision expedited state authorization for the CAMU rule for states that have authorization for RCRA corrective action, but not the 1993 CAMU rule.

Persons directly affected by the amendment:

The universe of facilities that could potentially employ a CAMU in remediation (and thus could be affected by this rule) includes facilities performing cleanups under RCRA corrective action, Superfund, and state cleanup authorities (for example, the Water Quality Assurance Revolving Fund or the Voluntary Remediation Program). This figure does not include Superfund sites or other cleanup sites where CAMUs may be used. This revision imposed no costs on any existing CAMUs that continue to manage wastes in the general manner for which they were approved, or on any facilities that manage their wastes without the use of a CAMU, for example, by sending their wastes off-site. These final standards apply to CAMUs that are not subject to the existing standards under the grandfathering provisions. It would require significant effort and yield uncertain results to determine the number of facilities, out of this total number, that require remediation at some point in the future under one of these authorities, and would employ a CAMU in the remedy.

EPA believes that the off-site provision of this rule will result in an overall reduction of costs to facilities by reducing treatment requirements when cleanup waste is sent off-site for disposal in hazardous waste landfills. There are no approved CAMUs in Arizona. There are no facilities performing cleanups under RCRA corrective action in Arizona. Arizona is authorized to implement the 1993 CAMU rule and RCRA corrective action. EPA expects no adverse impacts on small entities from allowing off-site disposal of CAMU-eligible waste because facilities use this provision only when it is to their advantage; in fact, EPA believes this provision may be particularly useful to small entities.

In general, 67 FR 6792-6818 amended the September 1999 NESHAPs rule, codified in 40 CFR 266, to allow EPA to develop interim standards. This revision replaces the vacated emission standards until final standards are promulgated. These interim standards amend 40 CFR 264, 265, 266 and 270. Portions of the NESHAPs rule promulgated in September and November 1999 were challenged and later vacated by the U.S. District Court of Appeals for the District of Columbia Circuit on July 24, 2001. In October 2001, EPA and all petitioners made a joint motion seeking the court stay its order, so that EPA would have an opportunity to develop interim standards.

Persons directly affected by the amendment include owners and/or operators of:

- a. Hazardous waste incinerators,
- b. Hazardous waste burning cement kilns,
- c. Hazardous waste burning lightweight aggregate kilns.

None of these types of facilities operates in Arizona, and as such, incorporation of this revision has no cost impacts except the cost resulting from facilitation of the reauthorization process.

67 FR 6968-6996 corrects several technical errors made in 40 CFR 266, when EPA established standards for hazardous waste-burning cement kilns, lightweight aggregate kilns, and incinerators and makes improvements in emission standards implementation in part 63, subpart EEE. These latter changes, however, are outside of the RCRA program and are not addressed in this EIS.

Persons directly affected by the amendment include owners and/or operators of:

- a. Hazardous waste incinerators,
- b. Hazardous waste burning cement kilns, and
- c. Hazardous waste burning lightweight aggregate kilns.

None of these types of facilities operate in Arizona, and as such, incorporation of this revision has no cost impacts except facilitation of the reauthorization process.

67 FR 11251-11254 complies with the United States Court of Appeals for the District of Columbia's order vacating two portions of the May 26, 1998, Phase IV LDR rule codified in 40 CFR 261. Association of Battery Recyclers v. EPA, 208 F.3d 1047 (D.C. Cir. 2000). The Association of Battery Recyclers, the National Mining Association and other trade groups challenged portions of this rule. The Court's order vacated the provisions that: 1) "asserted jurisdiction and imposed conditions over mineral processing characteristic by-products and sludges being stored prior to being recycled in beneficiation or primary mineral processing operations;" and 2) provided for use of the Toxicity Characteristic Leaching Procedure (TCLP) for determining whether a manufactured gas plant (MGP) waste displays the characteristic of toxicity. 67 FR 11251, 11252 (March 13, 2002).

Persons directly affected by the amendment:

- a. Owners and operators of facilities that generate or reclaim characteristically hazardous by-products or sludges within the mineral processing industry, and
- b. Generators of manufactured gas plant wastes.

Because this revision imposes no new requirements, it is expected to have no significant adverse economic impact on regulated entities, small businesses, state agencies and subdivisions, or consumers.

Costs and benefits of the department-initiated changes:

**R18-8-261(C)**

DEQ is deleting the modification to 40 CFR 261.4(a)(4). This action will make Arizona's rules consistent with the federal rules.

There will be no adverse economic impact on regulated entities, small businesses, state agencies and subdivisions, or consumers because this amendment merely amends Arizona's regulations to make them consistent with federal rules and creates no new requirements.

**R18-8-260(A) and (C), R18-8-261(A), R18-8-263(A), R18-8-264(A), R18-8-265(A), R18-8-266(A), R18-8-270(A), R18-8-271(A)**

In addition to reflecting updated incorporation dates and a change to mirror CFR language, DEQ is deleting the phrase "and the Secretary of State" from these Sections to reflect an amendment to A.R.S. § 41-1028 that removed the requirement that incorporated materials be submitted to the Secretary of State. These amendments will save DEQ approximately \$180.00 each year.

**R18-8-260(B), R18-8-263(B), R18-8-263(E), R18-8-264(F), R18-8-270(Q), R18-8-271(S)**

These amendments make technical corrections, clarify current DEQ practices and update addresses only.

There will be no adverse economic impact on regulated entities, small businesses, state agencies and subdivisions, or consumers because these amendments merely correct the existing rule, and create no new requirements.

**R18-8-270(G)(2)**

This amendment will change the rule to specifically address permit application processing fees for post-closure permits. This Section is amended to add two subsections: (a) "Permits other than post-closure" and (b) "post-closure permits." Subsection (a) contains the original rule text and subsection (b) retains the original rule text with the phrase "and such difference shall be paid in full before the DEQ shall issue the permit" deleted.

Persons directly affected by the amendment:

Owners and operators of treatment, storage, and disposal facilities subject to the DEQ Hazardous Waste Permit Program.

Because this amendment includes no fee change, DEQ expects no adverse economic impact on regulated entities, small businesses, state agencies and subdivisions, or consumers. This action is beneficial because it ensures that measures to protect human health and the environment are instituted in a timely manner in post-closure situations.

Costs and benefits resulting from the department-initiated changes:

Probable costs and benefits to state agencies:

DEQ will not need additional full-time equivalent employees (FTEs) to implement these changes, and DEQ does not anticipate any increases in costs or revenues. DEQ will benefit by having clearer rules and by meeting one of EPA's requirements for reauthorization of Arizona's hazardous waste program.

State agencies, municipalities and counties that are regulated entities, will incur the same costs and receive the same benefits as businesses in the private sector. DEQ does not expect any new costs for regulated agencies.

Probable costs and benefits to private businesses, including small businesses:

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Private businesses, including small businesses, that are regulated entities include owners or operators of: large quantity generators, small quantity generators, recyclers, transporters, or treatment, storage and disposal facilities that are subject to all hazardous waste requirements. Private businesses, including small businesses, that are regulated entities will incur the same costs and receive the same benefits as any other regulated entity. DEQ expects no new costs to private businesses, including small businesses.

Probable costs and benefits to residents and consumers:

The primary benefit of these changes for residents and consumers arise out of the intended public health benefits.

Reduction of rule impacts on small businesses:

DEQ did not consider reducing impacts on small business because separate standards for large businesses are not considered legally feasible. Further, since the amendments either have no economic impact, or have a positive economic impact, DEQ did not believe it was necessary to reduce impacts on small business.

Probable impact of the rule on private and public employment:

These amendments are not expected to create any significant incremental impacts on private or public employment.

Probable effect of the rule on state revenues:

DEQ is not imposing any new or additional fees through this rulemaking; hence, there are no expected economic impacts on state revenues.

**10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

Minor technical and grammatical changes were made between the proposed and final rules.

**11. A summary of the comments made regarding the rule and the agency response to them:**

No comments were made regarding the proposed rule.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

Not applicable

**13. Incorporations by reference and their location in the rules:**

<u>Federal Citation</u>	<u>State Citation</u>
40 CFR 260	R18-8-260(C)
40 CFR 261	R18-8-261(A)
40 CFR 264	R18-8-264(A)
40 CFR 265	R18-8-265(A)
40 CFR 266	R18-8-266(A)
40 CFR 268	R18-8-268(A)
40 CFR 270	R18-8-270(A)
40 CFR 124	R18-8-271(A)

**14. Was this rule previously made as an emergency rule?**

No

**15. The full text of the rules follows:**

**TITLE 18. ENVIRONMENTAL QUALITY**

**CHAPTER 8. DEPARTMENT OF ENVIRONMENTAL QUALITY  
WASTE MANAGEMENT**

**ARTICLE 2. HAZARDOUS WASTES**

Section

- R18-8-260. Hazardous Waste Management System: General
- R18-8-261. Identification and Listing of Hazardous Waste
- R18-8-263. Standards Applicable to Transporters of Hazardous Waste
- R18-8-264. Standards for Owners and Operators of Hazardous Waste Treatment, Storage, and Disposal Facilities
- R18-8-265. Interim Status Standards for Owners and Operators of Hazardous Waste Treatment, Storage, and Disposal Facilities
- R18-8-266. Standards for the Management of Specific Hazardous Wastes and Specific Hazardous Waste Management

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- R18-8-268. Facilities
- R18-8-270. Land Disposal Restrictions
- R18-8-270. ~~The~~ Hazardous Waste Permit Program
- R18-8-271. Procedures for Permit Administration

ARTICLE 2. HAZARDOUS WASTES

**R18-8-260. Hazardous Waste Management System: General**

- A. Federal regulations cited in this Article are those ~~adopted~~ revised as of July 1, ~~2000, 2002 (and no future editions)~~ unless otherwise noted. 40 CFR 124, 260 through 266, 268, 270 and 273 or ~~Parts thereof~~ portions of these regulations, are incorporated by reference, ~~when so~~ as noted in the text. Federal statutes and regulations that are cited within 40 CFR 124, 260 through 270, and 273 that are not incorporated by reference may be used as guidance in interpreting federal regulatory language.
- B. Any reference or citation to 40 CFR 124, 260 through 266, 268, 270, and 273, or ~~Parts thereof~~ portions of these regulations, appearing in the body of this Article and regulations incorporated by reference, includes any modification to the CFR Section made by this Article. When federal regulatory language that has been incorporated by reference has been amended, brackets [ ] enclose the new language. The subsection labeling in this Article may or may not conform to the Secretary of State's formatting requirements, because the formatting reflects the structure of the incorporated federal regulations.
- C. All of 40 CFR 260 and the accompanying appendix, ~~as amended~~ revised as of July 1, ~~2000, 2002~~ (and no future editions), with the exception of 40 CFR 260.1(b)(4) through (6), 260.20(a), 260.21, 260.22, 260.30, 260.31, 260.32, and 260.33, is incorporated by reference and modified by the following subsections and are on file with the Department of Environmental Quality (DEQ) ~~and the Office of the Secretary of State~~. Copies of 40 CFR 260 are available at [www.access.gpo.gov/cgi-bin/cfrassemble.cgi](http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi).
- D. No change
  - 1. No change
  - 2. No change
    - a. No change
      - i. No change
      - ii. No change
    - b. No change
      - i. No change
      - ii. No change
      - iii. No change
      - iv. No change
    - c. No change
      - i. No change
      - ii. No change
      - iii. No change
    - d. The Director shall provide the claimant with an opportunity to submit written comments to demonstrate that the information constitutes a legitimate confidential trade secret or confidential information. The comments shall be limited to confidential use by the DEQ pursuant to A.R.S. § 49-928. Pertinent factors to be considered by the Director for making a determination of confidentiality, and that the claimant may address in the claimant's written comments, include the following:
      - i. No change
      - ii. No change
      - iii. No change
    - e. No change
      - i. No change
        - (1) No change
        - (2) No change
      - ii. No change
        - (1) No change
        - (2) No change
      - iii. No change
        - (1) No change
        - (2) No change
        - (3) No change
        - (4) No change
    - f. No change

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- i. No change
- ii. No change
- iii. No change
- iv. No change
- v. No Change

**E.** No change

- 1. No change
- 2. No change
- 3. No change
- 4. No change
- 5. No change
- 6. No change
- 7. No change
- 8. No change
- 9. No change
- 10. No change
- 11. No change
- 12. No change
  - a. No change
  - b. No change
  - c. No change
  - d. No change
  - e. No change
  - f. No change
  - g. No change
  - h. No change
  - i. No change
- 13. No change
- 14. No change
- 15. No change
- 16. No change
- 17. No change
- 18. No change
- 19. No change
- 20. No change
- 21. No change
- 22. No change
  - a. No change
  - b. No change

- 23. No change
- 24. No change
- 25. No change
- 26. No change
- 27. No change
- 28. No change
- 29. No changes
- 30. No change
- 31. No change
- 32. No change

**F.** No change

- 1. No change
- 2. No change
- 3. "Facility" [or "activity" means:
  - a. Any HWM facility or other facility or activity, including] all contiguous land, structures, appurtenances, and improvements on the land [which are] used for treating, storing, or disposing of hazardous waste[, that is subject to regulation under the HWMA program]. A facility may consist of several treatment, storage, or disposal operational units ([that is], one or more landfills, surface impoundments, or combinations of them).
  - b. No change
  - c. No change

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- 4. No change
- 5. No change
- 6. No change
  - a. No change
  - b. No change
- G. No change
- H. No change
- I. No change
- J. No change
- K. No change
- L. 40 CFR §§ 260.41, titled "Procedures for case-by-case regulation of hazardous waste recycling activities," is amended by deleting the following from the end of the sixth, seventh and eighth sentences of paragraph (a):  
"Or unless review by the Administrator is requested. The order may be appealed to the administrator by any person who participated in the public hearing. The Administrator may choose to grant or to deny the appeal."
- M. No change
  - 1. No change
  - 2. No change
  - 3. No change
- N. No change

**R18-8-261. Identification and Listing of Hazardous Waste**

- A. All of 40 CFR 261 and accompanying appendices, as ~~amended~~ revised as of July 1, ~~2000~~ 2002 (and no future editions), are incorporated by reference and modified by the following subsections, and are on file with the DEQ ~~and the Office of the Secretary of State~~. Copies of 40 CFR 261 are available at [www.access.gpo.gov/cgi-bin/cfrassemble.cgi](http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi).
- B. No change
- ~~C.~~ § 261.4, titled "Exclusions," paragraph (a)(4), is amended as follows:
  - (4) ~~Source, special nuclear or by-product material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. [, provided that when a waste contains both hazardous waste and source, special nuclear or by product material, the hazardous waste component remains subject to regulation under this Article.]~~

~~D.C.~~ No change

~~E.D.~~ No change

~~F.E.~~ No change

~~G.F.~~ No change

~~H.G.~~ No change

~~I.H.~~ No change

~~J.I.~~ No change

~~K.J.~~ No change

~~L.K.~~ No change

**R18-8-263. Standards Applicable to Transporters of Hazardous Waste**

- A. All of 40 CFR 263, as ~~amended~~ revised as of July 1, 1999 (and no future editions), is incorporated by reference and modified by the following subsections of R18-8-263, and on file with the DEQ ~~and the Office of the Secretary of State~~. Copies of 40 CFR 263 are available at [www.access.gpo.gov/cgi-bin/cfrassemble.cgi](http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi).
- B. § 263.11, titled "EPA identification numbers," is amended by the following:
  - (a) A transporter must not transport hazardous wastes without having received an EPA identification number from the [DEQ].
  - (b) A transporter who has not received an EPA identification number may obtain one by applying to the [DEQ] using EPA form 8700-12. [The completed form shall be mailed or delivered to: ~~ADEQ DEQ, Hazardous Waste Technical Programs~~ Waste Programs Division, GIS and IT Unit, 3033 N. Central Ave. 1110 W. Washington St., Phoenix, AZ 85012 85007.] Upon receiving the request, the [DEQ] will assign an EPA identification number to the transporter.
- C. No change
- D. No change
- E. § 263.30, titled "Immediate action," paragraph (c)(2) is amended by the following:
  - (2) Report in writing as required by 49 CFR 171.16 to the Director, Office of Hazardous Materials Regulations, Materials Transportation Bureau, Department of Transportation, Washington, DC 20590 [and send a copy to the DEQ, Hazardous Waste Inspections and Compliance Unit, ~~3033 N. Central Ave. 1110 W. Washington St., Phoenix, AZ 85012 85007.~~]

**R18-8-264. Standards for Owners and Operators of Hazardous Waste Treatment, Storage, and Disposal Facilities**

- A. All of 40 CFR 264 and accompanying appendices, as ~~amended~~ revised as of July 1, ~~2000~~, 2002 (and no future editions),

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with the exception of §§ 264.1(d) and (f), 264.149, 264.150, and 264.301(l), are incorporated by reference and modified by the following subsections, and are on file with the DEQ and the Office of the Secretary of State. Copies of 40 CFR 264 are available at [www.access.gpo.gov/cgi-bin/cfrassemble.cgi](http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi).

- B. No change
- C. No change
- D. No change
  - 1. No change
  - 2. No change
- E. No change
- F. § 264.56, titled “Emergency procedures,” paragraph (d)(2) is amended as follows:
  - (2) [The emergency coordinator, or designee, shall] immediately notify [the DEQ at ~~(602) 207-2330~~ (602) 771-2330 or ~~800/234-5677, extension 2330~~ (800) 234-5677, extension 771-2330, and notify] either the government official designated as the on-scene coordinator for that geographical area, (in the applicable regional contingency plan under 40 CFR 1510) or the National Response Center (using their 24-hour toll free number ~~800/424-8802~~ (800) 424-8802). The report [shall include the following]:
    - (i) Name and telephone number of reporter;
    - (ii) Name and address of facility;
    - (iii) Time and type of incident (for example, release, fire);
    - (iv) Name and quantity of material(s) involved, to the extent known;
    - (v) The extent of injuries, if any; and
    - (vi) The possible hazards to human health, or the environment, outside the facility.
- G. No change
- H. § 264.75, titled “Biennial report,” is amended as follows:

The owner or operator [of a facility that treated, stored, or disposed of hazardous waste shall] prepare and submit a [single] copy of [an annual report to the Director] by March 1 [for the preceding calendar] year. The [annual] report must be submitted on [a form provided by DEQ according to the instructions for the form.] The report [shall describe treatment, disposal, or storage] activities during the previous calendar year and [shall] include [the following information]:

  - (a) Name, [mailing] address, [location] and the EPA identification number of the facility;
  - (b) The calendar year covered by the report;
  - (c) [For facilities receiving waste from off-site,] the EPA identification number of each hazardous waste generator from which the facility received a hazardous waste during the year; and, for imported shipments, the report must give the name and address of the foreign generator;
  - (d) A [waste] description, [EPA hazardous waste number, concentration, physical state], and quantity of each hazardous waste the facility received during the year. For [waste received from off-site], this information must be listed by the EPA identification number of each generator;
  - (e) The method of treatment, storage, or disposal for each hazardous waste;
  - (f) Reserved;
  - (g) The most recent closure cost estimate under § 264.142, [(as incorporated by R18-8-264)], and for disposal facilities, the most recent post-closure cost estimate under § 264.144, [(as incorporated by R18-8-264)];
  - (h) For generators who treat, store, or dispose of hazardous waste on-site, a description of the efforts undertaken during the year to reduce the volume and toxicity of waste generated.
  - (i) For generators who treat, store, or dispose of hazardous waste on-site, a description of the changes in volume and toxicity of waste actually achieved during the year in comparison to previous years to the extent such information is available for the years prior to 1984.
  - (j) The certification signed by the owner or operator of the facility, or authorized representative, [and the date the report was prepared];
  - (k) [Name and telephone number of facility contact responsible for information contained in the report; and]
  - (l) [If the TSD facility is also a generator, the complete generator annual report as required by § 262.41 (as incorporated by R18-8-262).]
- I. No change
  - 1. No change
  - 2. No change
- J. No change
- K. No change
- L. No change
- M. No change
- N. No change
- O. No change

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1. No change
2. No change
3. No change
4. No change
5. No change
6. No change

**R18-8-265. Interim Status Standards for Owners and Operators of Hazardous Waste Treatment, Storage, and Disposal Facilities**

- A. All of 40 CFR 265 and accompanying appendices, ~~as amended~~ revised as of July 1, ~~2000~~ 2002 (and no future editions), with the exception of §§ 265.1(c)(2), 265.1(c)(4), 265.149, 265.150, and 265.430, are incorporated by reference and modified by the following subsections, and are on file with the DEQ ~~and the Office of the Secretary of State~~. Copies of 40 CFR 265 are available at [www.access.gpo.gov/cgi-bin/cfrassemble.cgi](http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi).
- B. No change
- C. No change
- D. No change
1. No change
  2. No change
- E. No change
- F. No change
- G. No change
- H. No change
- I. Manifests required in 40 CFR 265, subpart E, titled “Manifest System, Recordkeeping, and Reporting,” (as incorporated by R18-8-265) shall be submitted to the DEQ in the following manner:  
The TSD facility receiving off-site shipments of hazardous wastes required to be manifested shall submit to the DEQ, no later than 30 days following the end of the month of shipment, a copy of each manifest with the signature, in accordance with § 265.71(a)(1) (as incorporated by R18-8-265), of the owner or operator of the facility, or agent, for any shipment of hazardous waste received within that month.
- J. No change
- K. No change
- L. No Change
- M. No change
1. No change
  2. No change
  3. No change

**R18-8-266. Standards for the Management of Specific Hazardous Wastes and Specific Hazardous Waste Management Facilities**

- A. All of 40 CFR 266 and accompanying appendices, ~~as amended~~ revised as of July 1, ~~2000~~ 2002 (and no future editions), are incorporated by reference and modified by the following subsections and are on file with the DEQ ~~and the Office of the Secretary of State~~. Copies of 40 CFR 266 are available at [www.access.gpo.gov/cgi-bin/cfrassemble.cgi](http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi).
- B. No change

**R18-8-268. Land Disposal Restrictions**

All of 40 CFR 268 and accompanying appendices, ~~as amended~~ revised as of July 1, ~~2000~~ 2002 (and no future editions), with the exception of Part 268, Subpart B, are incorporated by reference and are on file with the DEQ ~~and the Office of the Secretary of State~~. Copies of 40 CFR 268 are available at [www.access.gpo.gov/cgi-bin/cfrassemble.cgi](http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi).

**R18-8-270. ~~The~~ Hazardous Waste Permit Program**

- A. All of 40 CFR 270, ~~as amended~~ revised as of July 1, ~~2000~~ 2002 (and no future editions), with the exception of §§ 270.1(a), 270.1(c)(1)(i), 270.3, 270.10(g)(1)(i), 270.60(a) and (b), and 270.64, is incorporated by reference and modified by the following subsections, and is on file with the DEQ ~~and the Office of the Secretary of State~~. Copies of 40 CFR 270 are available at [www.access.gpo.gov/cgi-bin/cfrassemble.cgi](http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi).
- B. No change
1. No change
    - a. No change
    - b. No change
    - c. No change
  2. No change
    - a. No change
    - b. No change

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- C. No change
- D. No change
- E. No change
- F. No change
- G. No change
  - 1. No change
    - a. No change
    - b. No change
    - c. No change
    - d. No change
  - 2. If the reasonable cost of processing the application identified in subsection (G)(1) is less than \$10,000, the DEQ shall refund the difference between the reasonable cost and \$10,000 ~~shall be refunded~~ to the applicant.
    - a. Permits other than post-closure. If the reasonable cost of processing the application is greater than \$10,000, the ~~applicant~~ DEQ shall be billed ~~bill the applicant~~ for the difference and the ~~difference~~ applicant shall be paid ~~pay the difference~~ in full before the DEQ issues the permit.
    - b. Post-closure permits. If the reasonable cost of processing the application is greater than \$10,000, the DEQ shall bill the applicant for the difference.
  - 3. No change
    - a. No change
    - b. No change
    - c. No change
    - d. No change
  - 4. No change
  - 5. No change
  - 6. No change
    - a. No change
    - b. No change
  - 7. No change
    - a. No change
    - b. No change
    - c. No change
    - d. No change
    - e. No change
    - f. No change
    - g. No change
    - h. No change
    - i. No change
    - j. No change
  - 8. No change
  - 9. No change
- H. No change
- I. No change
- J. No change
- K. § 270.30, titled “Conditions applicable to all permits” paragraph ~~(L)~~(1)(10) is amended as follows:
  - (10) Other noncompliance. The permittee shall report all instances of noncompliance not reported under [§ 270.30 ~~(L)~~(1)(4),(5), and (6) (as incorporated by R18-8-270)] at the same time monitoring [(including annual)] reports are submitted. The reports shall contain the information listed in [§ 270.30(1)(6) (as incorporated by R18-8-270)].
- L. No change
- M. No change
- N. No change
- O. No change
- P. No change
- Q. § 270.51, titled “Continuation of expiring permits,” paragraph (d) is amended by replacing “EPA-issued” with “EPA, joint EPA/DEQ, or DEQ-issued.”
- ~~Q.R.~~ No change
- ~~R.S.~~ No change

**R18-8-271. Procedures for Permit Administration**

- A. All of 40 CFR 124 and the accompanying appendix, ~~as amended~~ revised as of July 1, ~~1999~~ 2002 (and no future editions), relating to HWM facilities, with the exception of §§ 124.1 (b) through (e), 124.2, 124.4, 124.16, 124.20 and 124.21 are

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incorporated by reference and modified by the following subsections and are on file with the DEQ and the Office of the Secretary of State. Copies of 40 CFR 124 are available at [www.access.gpo.gov/cgi-bin/cfrassemble.cgi](http://www.access.gpo.gov/cgi-bin/cfrassemble.cgi).

- B. No change
- C. No change
- D. No change
- E. No change
- F. No change
- G. No change
- H. No change
- I. § 124.10, titled “Public notice of permit actions and public comment period,” is replaced by the following:
  - (a) Scope.
    - (1) The Director shall give public notice that the following actions have occurred:
      - (i) A permit application has been tentatively denied under § 124.6(b) (as incorporated by R18-8-271(E));
      - (ii) A draft permit has been prepared under § 124.6(d) (as incorporated by R18-8-271(E)); and
      - (iii) A hearing has been scheduled under § 124.12 (as incorporated by R18-8-271(K)).
    - (2) No public notice is required when a request for permit modification, revocation and reissuance, or termination is denied under § 124.5(b) (as incorporated by R18-8-271(D)). Written notice of that denial shall be given to the requester and to the permittee.
    - (3) Public notices may describe more than one permit or permit actions.
  - (b) Timing.
    - (1) Public notice of the preparation of a draft permit (including a notice of intent to deny a permit application) required under paragraph (a) of this subsection shall allow at least 45 days for public comment.
    - (2) Public notice of a public hearing shall be given at least 30 days before the hearing. (Public notice of the hearing may be given at the same time as public notice of the draft permit and the two notices may be combined.)
  - (c) Methods. Public notice of activities described in paragraph (a)(1) of this subsection shall be given by the following methods:
    - (1) By mailing a copy of a notice to the following persons (any person otherwise ~~itled~~ entitled to receive notice under this subparagraph may waive his or her rights to receive notice for any classes and categories of permits):
      - (i) An applicant;
      - (ii) Any other agency which the Director knows has issued or is required to issue a HWM facility permit or any other federal environmental permit for the same facility or activity;
      - (iii) Federal and state agencies with jurisdiction over fish, shellfish, and wildlife resources, the Advisory Council on Historic Preservation, State Historic Preservation Officers, including any affected states (Indian Tribes). For purposes of this paragraph, and in the context of the Underground Injection Control Program only, the term State includes Indian Tribes treated as States;
      - (iv) Reserved.
      - (v) Reserved.
      - (vi) Reserved.
      - (vii) Reserved.
      - (viii) For Class I injection well UIC permits only, state and local oil and gas regulatory agencies and state agencies regulating mineral exploration and recovery;
    - (ix) Persons on a mailing list developed by:
      - (A) Including those who request in writing to be on the list;
      - (B) Soliciting persons for “area lists” from participants in past permit proceedings in that area; and
      - (C) Notifying the public of the opportunity to be put on the mailing list through periodic publication in the public press and in such publications as regional and state-funded newsletters, environmental bulletins, or state law journals. (The Director may update the mailing list from time to time by requesting written indication of continued interest from those listed. The Director may delete from the list the name of any person who fails to respond to the request.); and
    - (x) (A) To any unit of local government having jurisdiction over the area where the facility is proposed to be located; and
      - (B) To each state agency having any authority under state law with respect to the construction or operation of the facility;
  - (2) By newspaper publication and radio announcement broadcast, as follows:
    - (i) Reserved.
    - (ii) For all permits, publication of a notice in a daily or weekly major local newspaper of general circulation within the area affected by the facility or activity, at least once, and in accordance with the provisions of paragraph (b) of this subsection; and
    - (iii) For all permits, a radio announcement broadcast over two local radio stations serving the affected area at

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least once during the period two weeks prior to the public hearing. The announcement shall contain:

- (A) A brief description of the nature and purpose of the hearing;
- (B) The information described in items (i), (ii), (iii), (iv), and (vii) of subparagraph (d)(1) of this subsection;
- (C) The date, time, and place of the hearing; and
- (D) Any additional information considered necessary or proper; or

(3) Reserved.

(4) Any other method reasonably calculated to give actual notice of the action in question to the persons potentially affected by it, including press releases or any other forum or medium to elicit public participation.

(d) (1) Each public notice issued under this Article shall contain the following minimum information:

- (i) Name and address of the office processing the permit action for which notice is being given;
- (ii) Name and address of the permittee or permit applicant and, if different, of the facility or activity regulated by such permit;
- (iii) A brief description of the business conducted at the facility or activity described in the permit application;
- (iv) Name, address and telephone number of a person from whom interested persons may obtain further information, including copies of the statement of basis or fact sheet;
- (v) A brief description of the comment procedures required by §§ 124.11 (as incorporated by R18-8-271(J) and 124.12 (as incorporated by R18-8-271(K)) and the time and place of any hearing that shall be held, including a statement of procedures to request a hearing (unless a hearing has already been scheduled) and other procedures by which the public may participate in the final permit decision;
- (vi) The location of the administrative record required by § 124.9 (as incorporated by R18-8-271(H)), the times at which the record will be open for public inspection, and a statement that all data submitted by the applicant (except for confidential information pursuant to A.R.S. § 49-928) is available as part of the administrative record;
- (vii) The locations where a copy of the application and the draft permit may be inspected and the times at which these documents are available for public review; and
- (viii) Reserved.
- (ix) Any additional information considered necessary or proper.

(2) Public notices for hearings. In addition to the general public notice described in paragraph (d)(1) of this subsection, the public notice of a hearing under § 124.12 (as incorporated by R18-8-271(K)) shall contain the following information:

- (i) Reference to the date of previous public notices relating to the permit;
- (ii) Date, time, and place of the hearing; and
- (iii) A brief description of the nature and purpose of the hearing, including the applicable rules and procedures.
- (iv) Reserved.

(e) In addition to the general public notice described in paragraph (d)(1) of this subsection, all persons identified in paragraphs (c)(1)(i), (ii), and (iii) of this subsection shall be mailed a copy of the fact sheet or statement of basis, the permit application (if any), and the draft permit (if any).

**J.** § 124.11, titled “Public comments and requests for public hearings,” is replaced by the following:

During the public comment period provided under § 124.10 (as incorporated by R18-8-271(I)), any interested person may submit written comments on the draft permit and may request a public hearing, if no hearing has already been scheduled. A request for a public hearing shall be in writing and shall state the nature of the issues proposed to be raised in the hearing. All comments shall be considered in making the final decision and shall be answered as provided in § 124.17 (as incorporated by R18-8-271(O)).

**K.** No change

**L.** No change

**M.** No change

**N.** No change

**O.** No change

**P.** No change

**Q.** § 124.19, titled “Appeal of RCRA, UIC, and PSD permits,” is replaced by the following:

A final permit decision (or a decision under § 270.29 (as incorporated by R18-8-270(A)) to deny a permit for the active life of a RCRA hazardous waste management facility or unit issued under § 124.15 (as incorporated by R18-8-271(N)) is an appealable agency action as defined in A.R.S. § 49-1092 and is subject to appeal under A.R.S. § Title 41, Ch. 6, Art. 10.

**R.** No change

**S.** § ~~124.31(a)~~ 124.32 (a) titled “Public notice requirements at the application stage” is amended by deleting the following sentence:

“For the purpose of this section only, ‘hazardous waste management units over which EPA has permit issuance authority’ refers to hazardous waste management units for which the State where the units are located has not been

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authorized to issue RCRA permits pursuant to 40 CFR 271.”

**T.** No change