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Bill Auberle  
Margie Perkins  
Michael Regan  
Lisa Gomez  
Tim Hunt  
John Bachmann  
Greg Dana  
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Leah Weiss

Job: Start the process of giving concrete suggestions using the Q&A as a guide. Concept to go through questions 3-5, address each especially 3 & 4.

Questions:

What's right with the Act?

What's wrong? (Catalog what we don't know how to fix, i.e. attainment)

Prioritize list

Anything else not previously thought of

Q3: What changes to the current AQ System?

### **"A" Category**

Lisa—Integrating the AQS with other national "policies" like landuse, trans, E, multi-media interests. Problem: not done very well right now. Sounds like the principle that we have. Example from Energy: CAIR. Would have been useful as part of the analysis look at how CAIR stacks up to current E policy. Does it further it or not? So when EPA develops reg/nat rules, examine those types of things.

Margie—take advantage of the BACT process when discussing multipollutant processes.

John--What about the idea that the BACT process is now a little more broadly understood to include Lisa's rec of looking at E, transportation, landuse, etc...a multi-media, multi-sector impact.

Hunt--But concern that BACT would be tech driven and not impacting AQ. If facilities have a PAL, why force tech on them if there's no benefit?

Lisa—approach regs in a more multi-pollutant, (AND multimedia) fashion—consider the overall picture and make decisions based on the overall analysis. Ideally, by industry sector, as it's the most straightforward way to do it. Example: NOX & CO. If regulate power plants for NOX, that will negatively affect CO. Would be for any national rules that EPA does, including NSPS, Mobile sources, Toxics/MACT, NOX/PM. Also

envision this encompassing the ability to roll things out at the same time. Since the analysis is comprehensive, can roll it out as a “one-stop shopping certainty.”

Don—can’t ignore multimedia though.

Hunt—also, give more time for greater reductions. Example: if we could do a multipollutant approach in 10 years that’s twice as good as the sum of individual things in 5 years... Create incentives for investment in technology.

Lisa—synchronized SIP delivery dates. But Leah says that would be a nightmare. What if there was a consolidated SIP? Instead of 10 SIPs at the same time, 1 SIP period.

Follow-on to the multipollutant comment. Integrated SIP.

Where do the AQM people come down on the question of should there be SIPs? Talked about streamlining, how to make fixes to the current SIP process for the 2-year time horizon. Did not talk about holistic approach to SIPs or whether SIPs are good or bad.

Leah—this segues into designations. She would change the way designations are happening now. The planning is critical, and it’s hard to integrate and plan. If had an integrated SIP, would you need integrated designations? Leah says could plan holistically and still have individual SIPs. One big SIP could delay public health improvement. Don’t know the answer.

Generic rec: the system somehow needs to encourage an integrated planning process even if deadlines aren’t synchronized, etc. **Policies that encourage integrated SIP planning without delaying public health protection, for multiple criteria and toxic pollutants.**

This is more what Lisa was trying to say.

Greg—look at 2020 to figure out what will happen because of what’s on the books now. Many regs don’t really get full reductions until 2020-2030. HC control, etc. will roll out in the next 10 years. We should try our best to find out what these rules mean for things like non-attainment. It will better inform what we should do next.

Leah--But there’s an inherent tension with public health and States, for example with mobile sources (non-road sources like ships and aviation). The problem is attainment dates—dates pass before many rules take effect.

John—our base cases right now cannot include what could happen or the options States could take to reach attainment.

**B** Margie—SIP process. Streamline two areas with regard how EPA handles: 1) approval process, 2) getting an attainment designation after demonstrating attainment. Example: relationship that the attorney EPA part vs. rest of EPA have. Cutting edge, innovative things fall through when take into account director

discretion and enforceability. Yes, there is a risk, but need to let States try it even if they fail. Put a contingency in that says “If you fail at this, do plan B.” This will get the approval process going. Need to figure out how the management and program teams can work better with the legal teams, and not let attorneys set the level of risk willing to take. Let the management team set the risk.

Also, revisiting killing the attorneys: Can’t just tell them to lighten up, but perhaps helping them characterize the risk and what the contingency options could be an institutional management activity that would be helpful. Amend by saying after today, what legitimate things can lawyers come up with that will be part of the solution and not the problem. Reduce amt of up-front planning, pay for it by doing more checks. If risky program is contingent on improvement.

**B Hunt**—voluntary and innovative programs run up against legality. The more innovative, the harder it is to get it approved. More trust is required. Example: if we want the biggest improvement around the mills, that would be school bus retrofit, but no way to demonstrate that at the mills. Need to create safe mechanisms short of creating new provisions in the CAA called “Innovative Measures.”

Open market system was a failure because it didn’t have an adequate verification program. At the core, it was a good idea, but ended up having to go through too many hoops. How could it be done better? Carey—part of the reason we were looking at OM was cap and trade programs...who pays transaction costs. With CAT, all was done by Congress, and paid by the sources. With Open Market, wanted to remove burden on the State regulatory agencies to invest up-front resources. But everyone wanted certainty, no one wanted the risk that credits wouldn’t be received, or take the risk that reductions would not be quantifiable or enforceable. On a lot of trading programs, a lot has been invested on a miniscule part of the inventory. We’ve had the most success on innovative programs where the risk was small because of the small contribution

Leah—back to enlarging designation areas.

John--Back in 1990, when develop ozone transport, mandate nox control in the region. Congress wanted VOC RACT wrapped in, and that was stupid. So the bigger the area gets, the dumber the requirements might get, and the more resistance you get, the less people monitor.

But early action encouraged areas of influence to act early so they could escape the consequences of non-attainment.

So stating the problem: There’s a problem with designations and boundaries of designations. Could enlarge boundary, but need the flexibility to not make stupid rules. Need a way to get at the real problems in large, moderate, and subregions.

How to get the right scale with the right level of control for these different pollutants.

Leah—transport (domestic). Programmatic system in which EPA assesses more than just local impacts. Direction that EPA has been going is to sep. transport from attainment. This is a problem. A better system would be to integrate an attainment SIP with the downwind impacts. Address transport up front rather than retrospectively. We want a different framework, not necessarily a rule. Do local and regional simultaneously. Adjust the transport system, tweak it to be the most effective to meet the standard in non-attainment areas, while still striving for least-cost.

Carey—add international transport as well. As far as the receptor State is concerned, they don't have control about domestic or international transport.

Don—what about mercury deposition from international sources?

Bill—1) Understanding the environmental consequences of international/national/regional/state/local policies as best as science will allow us to do that.

2) Understanding the consequences of AQ decisions on multi-media.

3) We need a process for steps 1 and 2, then a process to disseminate the info to the public.

### **“B” Category**

**B Don**—better use of environmental data and less reliance on models. As long as progress is being made, keep going. The goal is better air quality, not gaming the model. This may be a more long-term structural issue.

**B Leah**—need to link our good environmental data with public health outcomes. Let's get the hospital data and correlate with high ozone days, etc. (John: AQI is working—in areas with AQI, high ozone no longer correlated with hospital admissions.) Another piece of this is in the C/B discussions. True cost of missed workdays, etc. need to be considered also.

John—this is ongoing, it's a small percentage statistic so it's hard to measure (?)

**B Hunt**—as we think about regulatory programs in 2020-2030 and States are going through SIP process, further controls will be needed in some locations and not others. As industry, have had one or two swipes at specific facilities, so pressure to make reductions is localized. That also puts a bigger burden on local/State instead of national solutions. Example of Air Toxics program...some areas better equipped to deal with it. If there's the capability of controlling at the State level, there could be more assurances of demonstrating compliance. So as take bites at the national level out of sources, what's

left will require more local controls. The SIP process could be adequate for this but we need to examine the process for this.

In developing national rules, & sector-based approaches, should consider total emissions & exposure, and also the spatial distribution and location-specific controls. Don't regulate the facilities as much that are located in areas with less AQ problems. Focus on areas with AQ problems.

What about Tucson? They don't have stage 2 vapor recovery. They will be in non-attainment soon, but aren't yet, so they couldn't implement controls. (This is a separate issue of States not allowing above and beyond Federal standards).

**(comment)** Don—A lot of what doesn't happen is because there's no time or resources left over after court dates. Example of RCRA—statutory deadlines and court cases rule the program.

**B** Bill—we are very ineffective in influencing behavior at the education level. That doesn't fit nicely into accountability. Excellence awards have recognized a lot of creativity, but there's no way to disseminate. Example of recycling as a program disseminated well and is now driven by children and families. Another example of PM10 standard program—woodstoves emissions were astronomical. They educated at the high school level, and the kids got the parents to change out woodstoves.

**B** Greg Dana-Reporting. Example of MACT—autobody coating; plastics and metal. Worked out a deal with EPA that allowed one report for both processes. Streamlining this frees up State regulatory time as well. This is an EPA PLUS State problem.

Carey—for TX, that becomes a financial burden because must build warehouses to keep reports in.

Carey—Problem of consistency. One size fits all across the country vs. being able to tailor things locally. If you're a national industry, want consistency; but if have a plant in an area that wants a trading program and can't have one because can't implement nationally, need flexibility. This gets at simplicity and flexibility.

Leah—Certain areas that are exempt, but EPA is not acting. (That's covered in the 38.)