

**Air Quality Management Subcommittee**  
Minutes from Meeting on January 24 - 25, 2006  
US EPA Region 6 Offices  
Dallas, TX

**Introduction: – Greg Green and Patrick Cummins**

The meeting began with attendees introducing themselves and with Greg Green reviewing the agenda. Mr. Green indicated that the meeting would begin with health oriented briefings by Lynn Terry (CA) and Lydia Wegman (EPA). This would be followed by individual breakout sessions for Teams 1 and 2 and their subgroups, then a joint session to report progress. The option for other breakout sessions during the two-day meeting was available. There would be a final joint session to highlight issues that each team had to pose for the other and to the AQM Subcommittee as a whole. Additional individual team sessions were scheduled for times after the close of the subcommittee meeting.

Carl Edlund of EPA Region 6 provided a welcome. He indicated that it was a privilege for Region 6 to host the meeting. Regional 6 has served as the EPA sub-lead region for innovation and is very interested in outputs from the AQM Subcommittee.

Mr. Green then posed issues for the subcommittee to consider. First, he recognized that the issue of “climate change” had created some issues due to various views by subcommittee members; he urged that the subcommittee not get bogged down over this topic. It was observed that controversial language at several places in draft papers had been “bracketed” to indicate a lack of agreement. Nevertheless, the issues should be given a full hearing, whether at this meeting or later meetings; a special meeting on just climate change might be necessary. A sense of the conversation about the issues in brackets might be provided and alternative views might also be bracketed. An attempt to resolve issues (whether climate change or other issues) by April should be made; if there is not resolution, the issue should be taken back to CAAAC.

**Human Health Impacts of Exposure to Particulate Matter Air Pollution: – Lynn Terry (CA)**

Ms. Terry began by indicating that PM is the most serious public health issue in California. She wanted to provide a flavor of current activities and to provide a basis for thinking broadly about how health impacts fit into concerns being addressed by the AQM Subcommittee. The presentation ([see xxx.pdf](#)) provided an overview of health effects, an update on recent studies, and a discussion of the diesel PM health risk. Ms. Terry indicated that there is a real mix of PM problems in California and that there is not an easy answer for complex areas like the Central Valley. There is a vast body of evidence that requires understanding, but it is clear that PM causes health effects due to both short-term and long-term exposures. Significant reductions in life expectancy and effects on vulnerable populations (e.g., children) have been noted in studies, including those for the

Los Angeles Basin. Impacts of PM<sub>2.5</sub> levels above the standards on the California population have been estimated. Risks associated with diesel PM, especially in port areas, were identified. Ms. Terry concluded by noting the lower levels of PM that are becoming important, the cancer risk associated with diesel PM, and the need to understand differences in effects between fine and coarse PM.

Comments from subcommittee members brought out the following points. A major concern in California is with premature mortality due to PM. Exposure reduction, as well as reduction of primary and secondary emissions, is important; the NO<sub>x</sub> contribution and localized impacts due to growth are also of concern. In California the focus is on key particulate sources; also, PM<sub>2.5</sub> is reducing and tracking ozone. Identifying what part of PM is a “bad actor” and translating that into a regulatory program is a significant issue that has not yet been resolved. The “zero” threshold issue relative to health standards and the distinction between fine and coarse particulates are important, as is the toxicity of individual particulates and the cancer risk of diesel PM. For the present, it is thought to be unlikely that the scientific community will find a single “silver bullet” in the PM-mix.

**Proposal to Revise the National Ambient Air Quality Standards for Particle Pollution: – Lydia Wegman (EPA)**

Ms. Wegman provided an overview of the proposal (12/20/05) to revise the NAAQS for PM, including changes to monitoring requirements ([see xxx.pdf](#)). The proposal strengthens the fine particle standard for health and visibility and refocuses the standards for coarse particles. Reduction in the level of the 24-hr standards and retaining the annual standard are the primary considerations for PM<sub>2.5</sub>, but comments on alternative levels and approaches are sought. For coarse PM, the standard would change from PM<sub>10</sub> to PM<sub>10-2.5</sub> to address “inhalable coarse particles”. Projected nonattainment areas, timelines associated with the new NAAQS, and monitoring network design were also discussed.

Comments from subcommittee members included interest in how/whether the AQM Subcommittee is to comment on the new NAAQS process. There was also interest in distinctions between “clean dirt” versus PM (new coarse particulate definition) that has been contaminated by agricultural, mining or other manmade activities.

**The Subcommittee meeting adjourned and the two workgroup teams met individually. The reports from the two teams to the Subcommittee are presented below.**

**Team 1 Discussion: – Janet McCabe**

Ms. McCabe began the report to the full AQM Subcommittee on the status of activities for the four groups working under this team; Group 1 – Problem Definition; Group 2 – Air Quality Planning Process; Group 3 – AQM Coordination Function; and Group 4 – Improving Communications / Partnerships.

Ms. McCabe indicated that Group 1 (Problem Definition) has prepared a two page summary of the scope of the problem which is a work-in-progress and attempts to address the realities and principles with which Team 1 is dealing (see [xxx.pdf](#)). Some realities and principles identified include: science is always improving; a perfect understanding of pollutants and health effects (or other synergistic effects) can't be expected; national and local concerns may be different; the latest and best science should be used; air pollution programs should work toward continuous improvement; multi-pollutant approaches should be considered. Categories of recommendations that are being considered include: identification of information gaps and ways to fill the gaps for air quality data, emissions inventories, and health information for air quality planners; the priority setting process concerning what can be done better should include the NAAQS process, regular State/EPA planning process, EPA trends reporting and the relationship to health, and a process for monitoring progress. The group is avoiding trying to indicate that something must be done even in uncertainty; rather the question is whether there is a level below which an impact is acceptable.

Brock Nicholson reported on Group 2 (Air Quality Planning Process); see [xxx.pdf](#) for an annotated outline of topics on air quality planning prepared by the group. There is a lot of emphasis in this outline on options for dealing with various "boundaries" that serve as a format to consider other topics. Some concepts being considered include: plan updates (e.g., 5 years); update of technology; change in manner of setting NSPS and the relationship to NSR and PSD; local and State agencies continuing to deal with local problems; cap and trade; backstops which include anti-grandfathering. The right balance between State and federal authority needs to be found, including State and local agencies being able to act ahead of federal authority through such mechanisms as an early action compact (EAC). A major theme considered is that all sources should have an inherent responsibility to reduce emissions on some basis other than RACT; part of this concept includes continuous improvement in reduction of emissions. Various ways for fulfilling this theme were suggested. Also, the role of multi-pollutant approaches was mentioned and was identified as a process that will have to develop over time.

Time did not allow presentations by Group 3 and Group 4 which were deferred to the next day.

### **Team 2 Discussion: – Anna Garcia**

Ms. Garcia provided an update on what has been accomplished by Team 2. That team is in the process of looking at needs and problem areas involving tools and strategies. The paper that has been prepared provides a list of needs or problems, potential tools, and attributes for evaluating and comparing tools. Ideally there should be a blueprint of needs and problems for a revised AQM system with specific tools for each category. This team would like to consider strategies that Team 1 has already identified and to identify issues that still remain to be shaped. They have begun the process of evaluating specific tools. Presentations on financial tools (Gregg Cooke), emissions

trading tools (Bob Wyman), and a one-pager on enforcement enhancements (Sharon Kneiss) were provided (see [xxx.pdf](#)).

For financial tools, substantial work has already been done from which lessons can be learned, e.g. EPA's economic incentive program guidance. Creation and distribution of "SIP credits" are a key component of this tool. Work being done with the diesel program is an example of an ongoing activity with success in California and Texas. The financial tools need to be further developed; State funding for SIP credits is an important component. This can be considered both a public and private instrument since private investment can take risks that the public can't. Other financial strategies might be considered, e.g., a "pollution tax". One question is how this approach can be made to work outside California and Texas; it must be easy to set up and should work to get new technology even though an area is in attainment. A white paper should be prepared that provides an opportunity to consider other tools.

Emissions trading may be a useful approach for large stationary sources that are under-controlled and for area/mobile source trading. There are various types of trading programs that can be considered, such as that for ports in southern California. The challenge is how to make the market place take action and deliver benefits to the public, restrict trading in high risk health areas, offset with new stationary sources, and deal with contentious aspects of the program. A good example candidate is refineries that are heavily regulated, but for which more reductions are necessary and for which a list of offsite options may be available after a "period of repose". There are a variety of trading programs that can be considered. Examples of potential concerns are local impacts and a view that this is a "pay-to-pollute" program. Another past problem has been a lack of demand for trades. It is generally thought that cap and trade is preferable to open market trading.

Enforcement enhancements that were considered include: incentives for self-certification; agreements between level of government on delegation of actions; and source specific emission limit agreements. It was questioned whether EPA would agree to agreements that might give up a right to implementation of federal law.

### **Teams 1 & 2 Issue Highlights: – Greg Green and Pat Cummins**

Mr. Green began this session by indicating that individually Team 1 and Team 2 should raise issues to be addressed by the other team and by the full subcommittee (30 minutes each). After this discussion, the AQM Subcommittee would be ready to identify Next Steps. Team 2 was requested to make the first presentation.

Team 2 Issue Highlights. Participants discussed the need for consumer and social behavior change. Issue group 2 in Team 1 discussed the issue, and determined that smaller and area sources show domination of behavioral effects. In order to encourage local entities to become part of the solution, strategies would most likely focus on social and behavioral issues. Issue group 3 in Team 1 also discussed behavior change, and outlined 3 proposals to address behavior on a local level. Proposal 2 talks about land use

ideas, and bullet point one mentions the potential use of a toolbox as well as which tools could be included. Proposal 3 talks about the importance of incentives for voluntary transportation and land use strategies. Proposal 5 talks about reducing demand for high-polluting activities, such as a labeling strategy. Issue group 3 was encouraged to look at the Team 2 list of tools for additional ideas.

Bob Wyman (Latham & Watkins) pointed out the importance of making a compelling case for specific needs and identifying as many examples as possible for dealing with those needs. A discussion ensued of how to raise public awareness. Leah Weiss pointed out that most local scenarios are a product of social behavior. She gave an example of the success of recycling starting with school children. If kids could be educated about air quality issues as well, they could raise awareness on a local level. Lynn Terry (CARB) brought up her struggle with Vehicle Miles Traveled (VMT) and sprawl. She commented that it is difficult to understand what it means to alter behavior; for example, going to local activities and schools or playing in a backyard instead of spending that time on a congested freeway. Brock Nicholson commented that drivers for social behavior and change will need to be determined. Mr. Wyman would like to see as many examples as possible to illustrate what the assumptions are, where they come from, what they mean, and why it's important to reach certain goals.

There was some concern about prioritizing behavior strategies above technology advancements. John Seitz commented that prioritization gets back to problem identification. If we're seeing these residual problems, like growth and VMT, they are starting to become larger issues and need to be addressed. Don't dismiss technology, but if the behavior is the most difficult problem, it needs to be the top priority. Anna Garcia commented that those problems will be left to the regions and States. If remaining problems are behavioral, regions and States will need tools to address them. Other areas might want technology first, but it'll be case by case, instead of a blanket national approach. Brock Nicholson commented that tools are necessary, whether short or long term, but we need to think of the perpetual process and the growth of the country. We'll need tools to address the growth.

Janet McCabe commented that the word "tools" needs clarification as to the purpose—whether it's technology advancement or behavior change. Some of the problems include the priorities, such as pollutants. She asked if Team 2 is thinking about air quality data or emission inventory development tools. Ms. Garcia replied that Item 1.B., "Problems and Needs Related to Measurements (of Problem or Actions Taken) and Performance Tracking," gets at the question of measurement needs. Team 2 has not yet developed a list of tools to address those needs, but they have anticipated such a task. Janet suggested that Team 1 could develop the list of tools.

Participants discussed the broader issue of emissions control. John Hornback outlined two significant aspects: 1) mandating some level of control for all sources, and 2) solving significant problems from smaller (and/or area) sources. In giving a justification for the first issue, Mr. Hornback pointed out that existing sources today could not, for example, discharge raw pollution to any water body without some

significant repercussions. The same should be applied to sources emitting to the atmosphere. In dealing with the second issue, Mr. Hornback pointed out that regulators tend to exempt small sources from control. For example, one 100-pound per day emitter would trigger some type of control. Two 50-pound per day emitters, however, may fall under the radar, even if they were located in the same locality. Ten 10-pound per day emitters would be completely ignored, even in the same locality. Overall, smaller sources cannot continue to be ignored, barring the issue of diminishing returns. The idea of establishing a baseline of control gets at both issues, and also creates a solid foundation for solving future problems.

**Seitz Proposal.** John Seitz outlined an approach to creating a final product from the AQMS. In thinking about the general framework, there are two worlds: redesigning the program, and figuring out what can be done in the current program. The final product does not have to be one answer; instead, it could be different scenarios. **The scenarios include the following:**

- 1. Fine tune current regulatory approaches and see what else can be gotten out of the current system; this could encompass a better technology approach, better monitoring/modeling, or a better combined approach;**
- 2. Expand on views put forth by Dan Johnson and John Hornback concerning how to make progress by working on smaller sources and drivers, and how to make these programs work before slipping into nonattainment; some examples include:**
  - Early action compacts and how they are used to change the SIP process**
  - Caps / market incentives – how to make them work**
  - Incentives for local governments**
  - Working with MPOs.**
- 3. Manage air as a resource that everyone has a share in and must control their pollutant emissions to protect – “the utopian philosophy”. This has been described conceptually by Dan Johnson in the following way: “All sources of air pollution, regardless of size or location, will be obligated to take reasonable steps to reduce their emissions. EPA will promulgate rules governing how reasonable performance levels (RPLs) are established and how frequently RPLs must be reviewed and updated. RPLs would constitute a minimum set of performance standards nationwide, providing a foundation for additional controls that are needed to address existing or potential area-specific problems.”**

**Each of these scenarios should also address:**

- policy framework**
- process**
- accountability**

**The activities and recommendations of Team 1 and Team 2 should be geared to these three scenarios.**

Mr. Seitz asked if in the short term, States or localities wanted to implement one of the three strategies or scenarios proposed here, would EPA support that? Rob Brenner replied that he could see cities doing that, and he thinks it would be a great outcome of this process. However, Mr. Brenner stated that he does not think Congress would change the current air quality management system quickly.

Ms. McCabe suggested a two-pronged approach to the final report: 1) suggest strategies that could be implemented in the next 5-10 years that would not require a Congressional act, and 2) take a more in-depth, long term look at what strategies might require a change to the CAA. She reminded participants that the charge of this Subcommittee is to look more in-depth at the long-term. Mr. Nicholson challenged participants to make sure we don't find the more bold long term view too difficult and acquiesce to shorter term tools. Put as much energy as possible into the longer term.

Building on Ms. McCabe's suggestion, Mr. Hornback commented that there could be a three-tiered approach to writing the report. First, identify a structure of setting standards and evaluating what needs to be done in both the short and long term, as well as the sequence and timing of those needs. Second, determine how to accomplish step 1; i.e., whether to fine tune the existing system, or create a different system. Third, determine the "nuts and bolts;" e.g., is there a planning cycle, is there a way to do multi-pollutant strategies, are there implementation strategies that need to be changed? Greg Green added that if the Subcommittee develops these scenarios and tools, they also need to recommend implementation actions, whether it includes a SIP process, or a multipollutant strategy, etc.

Team 1 Issue Highlights. Group 1 (Problem Definition) and Group 2 (Air Quality Planning Process) had reported their major activities the previous day.

Lisa Gomez reported for Group 3 (AQM Coordination Function) that they had made progress in dealing with the issues involving climate that were previously reported. They have identified what they can agree to and what they can't. They have defined the principles that they can agree to which include gathering information, coordination, and recognition of ongoing activities. They could not agree on policy/advocacy, mandatory control requirements, encouragement for a climate program, involvement in DOE's climate program, and regulatory aspects. They have gone through the eight proposals the group is considering and come to consensus on climate components of 7; they expect to resolve climate issues on the remaining issue immediately after the meeting today. They also have a lot of non-climate issues to address among the 8 proposals. It is anticipated that their paper will be revised and circulated; e-mailed comments will be appreciated.

Group 4 (Improving Communications/Partnerships) is headed by Stephen Hartsfield, and currently he is the only group member; volunteers are needed to help. The group plans to consider communications from national/regional/local perspectives.

They are interested in identifying success stories and in developing national, RPO and EAG perspectives. Communication options for implementation at various governmental levels are a goal.

**Next Steps: – Greg Green and Pat Cummins**

The following activities were noted:

- The Seitz recommendation for three scenarios should be pursued by both Teams; a draft summary of the recommendation will be prepared and circulated for review; comments are encouraged;
- Over the next month, all team papers should be completed for review by other members of the subcommittee;
- The AQM Subcommittee should have a conference call before the next meeting;
- The next AQM Subcommittee meeting will begin April 4 at the Crystal City Sheraton Hotel in Arlington, VA in conjunction with a scheduled CAAAC meeting;
- The schedule for workgroup meetings and the expectation for workgroup products should be established at the April 4 meeting;
- Groups 2 and 3 of Team 1 planned to meet immediately after the Subcommittee meeting today (1/25).