8-HOUR O3 NAAQS IMPLEMENTATION STRATEGY
BRIEFING FOR JEFF HOLMSTEAD & ROB BRENNER
January 22, 2002 - 10:00 - 10:45 a.m.

PURPOSE OF BRIEFING

- Obtain management approval to proceed with stakeholder discussion of straw options on classification options and other 8-hr. ozone implementation issues
- Set process and schedule for proposing implementation strategy
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SUMMARY OF BRIEFING TOPICS

- 3 straw options for resolving subparts 1 and 2 conflict for classifications
- Approach for addressing anti-backsliding
- Revised options for transition from 1-hr to 8-hr O3 NAAQS
- Rulemaking schedule & process for stakeholder interaction
- Next steps

3 OPTIONS FOR CLASSIFICATION UNDER SUBPARTS 1 & 2

SUMMARY OF OPTIONS

- **Option 1**–Classify 8-hr O3 nonattainment areas under subpart 2, table 1 and, as appropriate, under subpart 1, ***based on 1-hr O3 design values***.
- **Option 2–**Classify 8-hr nonattainment areas ***based on 8-hr O3 design values*** (would require regulatory change of Table 1 to reflect 8-hr DV's for existing classifications)
- **Option 3–**Classify ***based on 8-hr O3 design values and available modeling information indicating when an area would attain the 8-hr O3 standard, e.g., an area would be classified as marginal if available modeling projects attainment 3 years after designation*** (would also require regulatory change of Table 1 to reflect 8-hr DV's for existing classifications)

FURTHER DESCRIPTION OF OPTION 3

Option 3–

- Incentive feature: An area that is classified moderate or above, but that submits an approvable SIP within a limited time after designation/classification, may be reclassified to a lower classification consistent with the attainment date in their SIP.

- Tracking: Areas classified based on modeled attainment (i.e., based on the areas's modeled attainment SIP or EPA-modeled future design values) would have to demonstrate that their SIP provides for adoption and continued implementation of any measures assumed in the modeling. They also would have to ensure over time that post-designation and post-attainment-date emissions levels are consistent with the modeling (as would all nonattainment areas).

- Rationale: The rationale for reliance on modeled results is based on analogy to Congressional intent regarding the linkage between control obligations and the time necessary to attain in the 1990 CAA Amendments.

IMPLICATIONS OF CLASSIFICATION

- Subpart 1 requirements (e.g., NSR & conformity) apply to all non-attainment areas

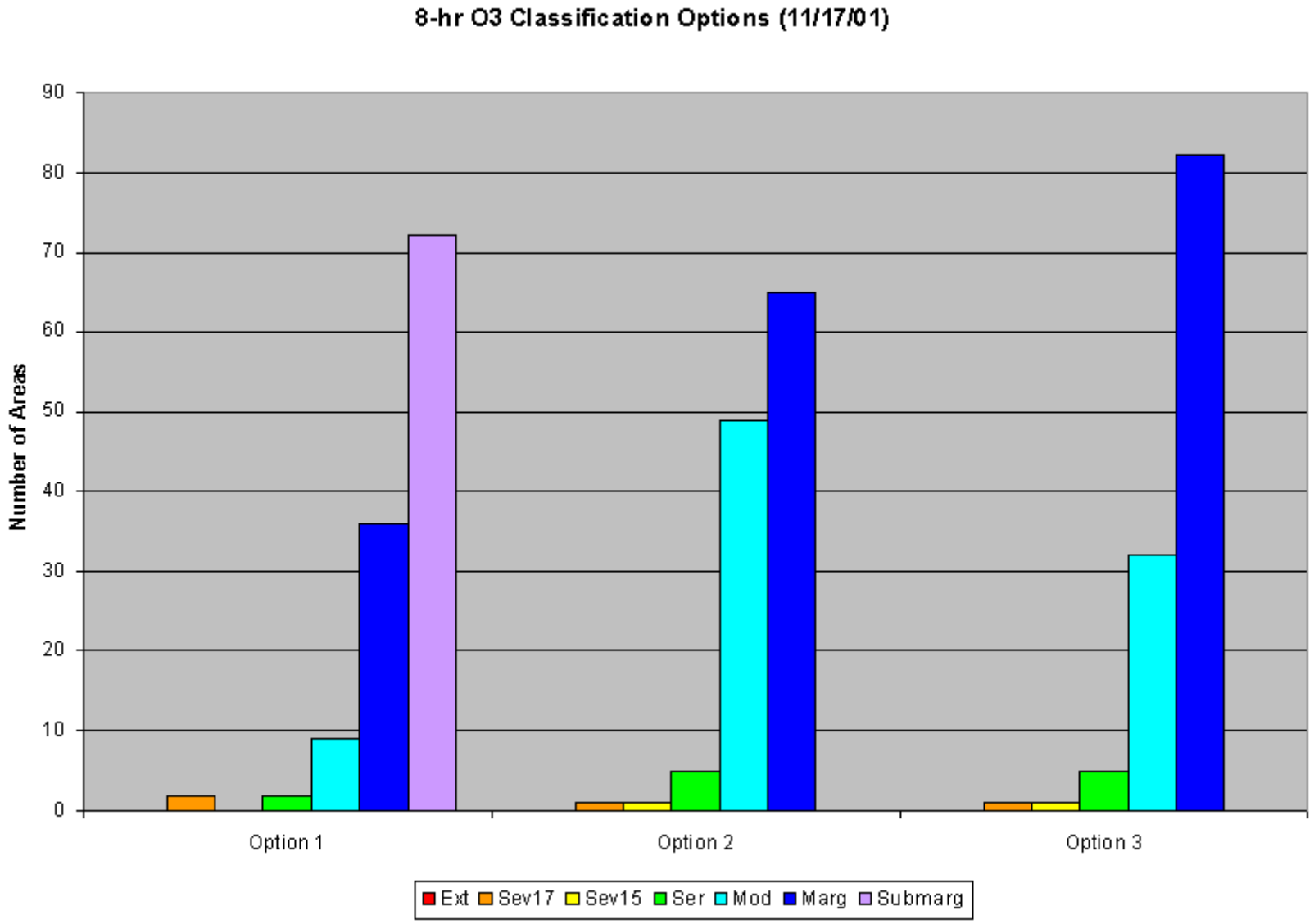
- Subpart 2 requirements for each classification would apply, unless EPA meets difficult legal tests for saying particular requirements do not apply,

  - Some subpart 2 provisions call for VOC measures that may have limited effectiveness in areas that primarily need NOx reductions (e.g., 15% VOC rate of progress plans, lower thresholds for VOC RACT and NSR).

COMPARISON OF AREAS AFFECTED

TABLE 1

COUNTS OF NONATTAINMENT AREAS										
	Ext	Sev17	Sev15	Ser	Mod	Marg	Other *	Submarg	Rest	Total
Current 1-hr Classifications										
Nonattainment	1	5	4	14	10	21	20			75
Maintenance					21	22	16			59
The above areas are not the same as the rest of the table in certain situations.										
New 8-hr vs. existing 1-hr Areas										
Areas NAA and Maint	1	5	3	11	20	31	6			77
Areas NAA	1	5	3	11	4	14	3			41
Areas Maintenance					16	17	3			36
Areas Rest (new 8-hr areas)									44	44
Total										121
8-hr Classificaion Options										
Option 1 (1-hr DV)	0	2	0	2	9	36		72		121
Option 2 (8-hr DV)	0	1	1	5	49	65		0		121
Option 3 (8-hr DV, but marginal if area projected to attain in 2007)	0	1	1	5	32	82		0		121


8-hr O3 Classification Options (11/17/01)
Number of Areas
90
80
70
60
50
40
30
20
10
0
Option 1
Option 2
Option 3
Ext
Sev17
Sev15
Ser
Mod
Marg
Submarg

APPROACH FOR ADDRESSING ANTI-BACKSLIDING

A common issue for all of the above classification options is how to prevent backsliding from 1-hr requirements.

- All of the above classification options would incorporate "anti-backsliding" from currently-required CAA requirements.

- SIP measures not specifically required under subpart 2 (but required for attainment) could be replaced by other measures as long as the CAA's anti-backsliding provisions (section 110(l), section 193) are met.

- In general, measures required under subpart 2 would continue to be required within the areas that were subject to those requirements for the 1-hour standard. Details of this concept would be tailored to nonattainment areas not meeting the 1-hr. standard, non-attainment areas meeting the 1-hr. standard and attainment areas.

The recommended approach for implementing anti-backsliding is to establish an anti-backsliding requirement (via regulation) and also rely on CAA anti-backsliding provisions.

3 OPTIONS FOR TRANSITION FROM 1-HR TO 8-HR O3 STANDARD

The 1-hour ozone standard remains in effect until revoked. Three options for timing of revocation:

1. At time of 8-hr O3 designation
2. At time of approval of 8-hr O3 SIPs (for 8-hr O3 nonattainment areas)
3. At time EPA determines area meets 1-hr O3 NAAQS (after 8-hr O3 designation)

Under Options 2 and 3, there would be designations and classifications for two standards in place at the same time for an extended period. Figures 3 and 4 demonstrate the possible timing.

PROCESS AND SCHEDULE – TENTATIVE PLANS

- Scope of 8-hr. implementation strategy:
  - subpart 1/2 issues (transition from 1-hr. to 8-hr. standard, classification, mandatory measures, SIP submittal dates, attainment dates)
  - other key implementation issues
  - will be part rule and part guidance

- July target for proposing implementation strategy

- Anticipated course is to lay out options for public comment

- Process for consulting with state and stakeholder groups prior to proposal
  - Develop (written) straw options for discussion
  - Continue ongoing consultation process with STAPPA/ALAPCO
  - Hold two or three all-day public meetings with stakeholders early in 2002 (perhaps D.C., Chicago/San Francisco), with format allowing for meaningful discussions
  - Hold separate meetings with key state and stakeholder groups seeking input (e.g., ECOS, NGA, environmental organizations, industry)

- Working schedule
  - Stakeholder meetings and discussions -- December through March
  - Staged briefings for management on individual issues -- February-April 2002
  - Complete proposal and send to OMB -- April 2002

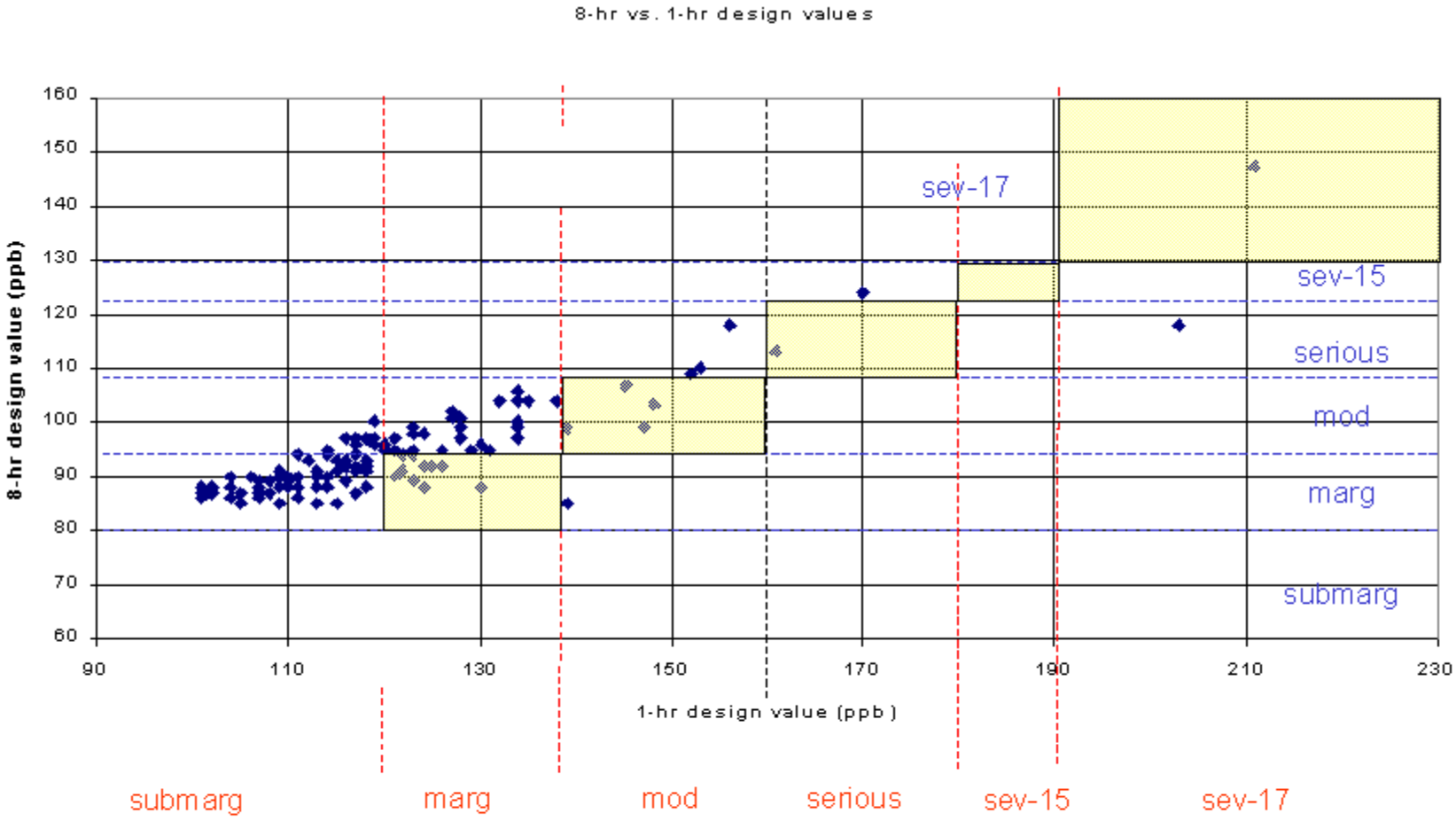
- Internal process on additional implementation issues
  - EPA subgroups are developing options on more than a dozen additional implementation issues not addressed by this briefing
  - Issues will be elevated to DAA/AA as necessary; other issues could be taken directly to stakeholders

- Suggested posture on whether EPA will consider legislative changes
  - "EPA at this point is focusing on the best ways to address the Supreme Court decision and implement the 8-hour ozone standard without legislative changes. We will assess whether legislation is needed as we proceed."

NEXT STEPS

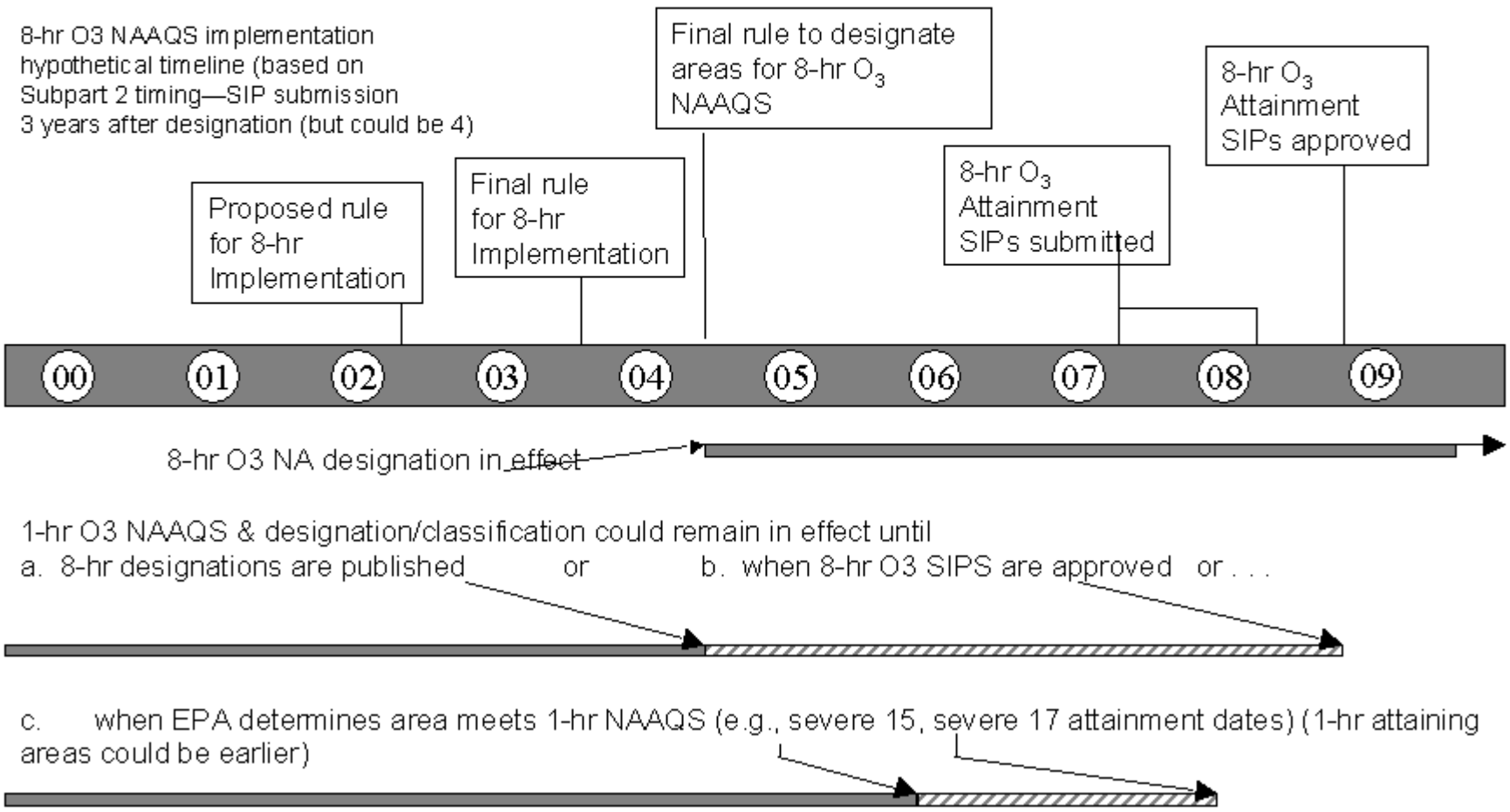
- Discuss options with RO's, STAPPA/ALAPCO, (December 19)
- Public meetings (latter part of January 2002/early February)
- Develop straw options for additional issues (e.g., timing issues–SIP submittal dates, attainment dates)

Figure 2

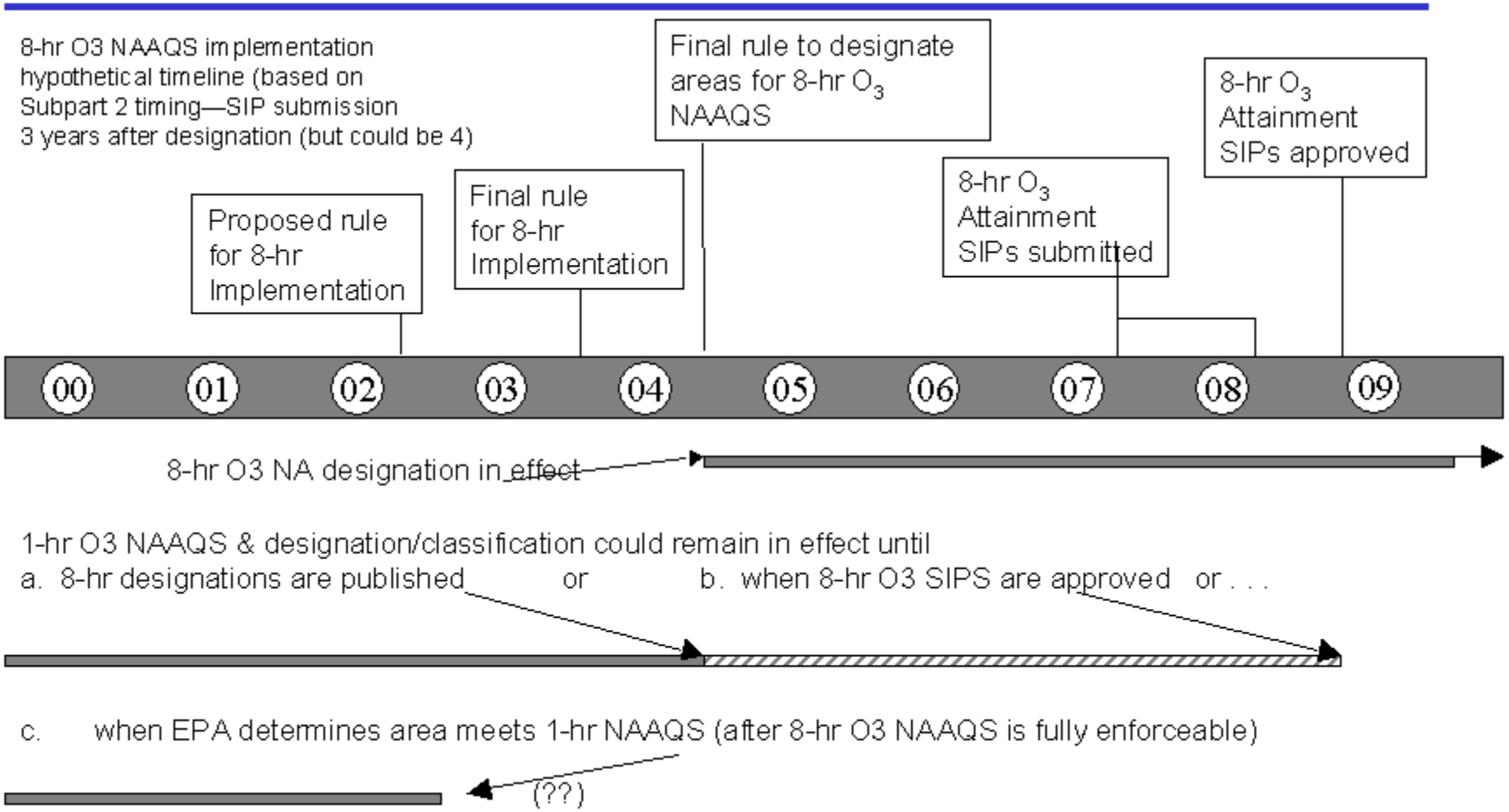


Note: location of threshhold lines are approximate
Red—1-hr design value cutpoints from Table 1
Blue—8-hr design value cutpoints from translated Table 1
Indicates 1hr class = 8-hr class

1-hr to 8-hr Standard Transition
Hypothetical Timing Options for *Current 1-hr NA Areas*
(Note that 2 standards & their separate designations & classifications could be in effect for a period of time)



1-hr to 8-hr Standard Transition

Hypothetical Timing Options for *Current 1-hr Attainment Areas*

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