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August 16, 2010

Gina McCarthy
Assistant Administrator
Office of Air and Radiation
Mail Code 6101A
U. S. Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, D.C. 20460

Dear Ms. McCarthy:

On behalf of the Lake Michigan Air Directors Consortium (LADCO), we wish to offer recommendations on four issues to improve the State Implementation Plan (SIP) process. Specifically, these issues are:

- Issue timely guidance
- Improve internal Environmental Protection Agency (EPA) communication and coordination
- Pursue more national/regional measures for mobile sources and fuels
- Promote a more balanced modeling-data analysis approach in attainment demonstrations

As EPA continues to work on ways to improve the SIP process, including its current discussions with the National Association of Clean Air Agencies and the Environmental Council of the States, we think it is important that attention be given to these issues.

Please contact any of us, if you wish to discuss these recommendations.

Sincerely,

Laurel Kroack,
Chief, Bureau of Air
Illinois Environmental Protection Agency

Keith Baugues
Assistant Commissioner, Office of Air Quality
Indiana Department of Environmental Management

G. Vinson Hellwig
Chief, Air Quality Division
Michigan Department of Environmental Quality

Robert Hodanbosi
Director, Division of Air Pollution Control
Ohio Environmental Protection Agency

John Melby
Director, Bureau of Air Management
Wisconsin Department of Natural Resources

c: Cheryl Newton, Director, Air and Radiation Division, Region 5

SIP Reform Issues and Recommendations: LADCO Position Paper

The States of Illinois, Indiana, Michigan, Ohio, and Wisconsin (i.e., the LADCO States) request Environmental Protection Agency (EPA) action on four key issues for improving the State Implementation Plan (SIP) process:

- Issue timely guidance
- Improve internal EPA communication and coordination
- Pursue more national/regional measures for mobile sources and fuels
- Promote a more balanced modeling-data analysis approach in attainment demonstrations

The LADCO States wish to offer specific recommendations to EPA on each of these issues. The LADCO States also wish to acknowledge and support efforts by the Southeast States in pursuing these (and other) issues intended to improve the SIP process.

Background

Implementation of the Clean Air Act has resulted in better air quality for millions of Americans. In Region V, air quality trends are significantly downward for all major air pollutants. For example, between 2001-2003 and 2007-2009, the number of monitoring sites with design values over the 1997 8-hour ozone standard has decreased from over 110 to 0. Nevertheless, to address new challenges, including tighter federal air quality standards and new regulatory requirements, changes to the air quality management process are needed.

A notable recent milestone in assessing the current SIP process was the National Resource Council's 2004 report "Air Quality Management in the United States" and subsequent work by EPA through the Clean Air Act Advisory Committee (CAAAC). Among other things, the National Research Council recommended that the SIP process be transformed into a "...more dynamic and collaborative performance-oriented, multipollutant air quality management plan (AQMP) process." In its January 2005 report to the CAAAC, EPA's Air Quality Management Workgroup agreed with this point and offered 38 specific recommendations to improve the current air quality management system.

Subsequent efforts to identify improvements to the SIP process include the Region 7 State and Regional Office Kaizen process and the Southeast States' SIP reform initiative. The Region 7 Kaizen process began in 2009 and was intended to: (a) ensure all approvable SIPs occur within statutory timeframes, (b) SIPs of sufficient quality to be approvable on first pass, (c) reduce processing time by 1/2, and (d) eliminate 1/3 of SIP backlog each year for next three years.

In late 2009, the Southeast States began an initiative to provide recommendations to EPA on improving the SIP process. Attempting to build on prior efforts, the Southeast States drafted a set of guiding principles and are currently working on a list of key issues (and associated recommendations). To oversee their activities, the Southeast States established a Policy/Communications Workgroup and a Technical Workgroup. Three LADCO representatives joined the Technical Workgroup: Bob Irvine, MI; Bob Lopez, WI; and Mike Koerber, LADCO.

Identification of Key Issues to LADCO States

A general concern during the Southeast States' discussions is the large number of issues (and associated recommendations) that have been identified. To provide more focus for EPA action, the LADCO States were asked to identify their most important issues. Based on the responses, the top four issues are as follows:

1. Issue timely guidance

Delays in federal guidance hinder the state air quality planning process. Late implementation guidance is one reason states have difficulty in meeting SIP submittal dates.

Recommendation: When proposing a new NAAQS, EPA should simultaneously propose the implementation requirements, new monitoring requirements, etc. EPA should also finalize all these items at the same time, so states can understand the full scope of what is required and can undertake a comprehensive rulemaking effort.

In addition, EPA should work with states to estimate the resources needed to implement any new requirements and identify a mechanism to provide these resources. It is critical that the necessary resources not exceed the available resources - we must live within our means.

2. Improve internal EPA communication and coordination

Differences in review practices and standards by EPA Regional Offices create difficulties for states in their ability to prepare approvable SIPs. In addition, delays are introduced by lengthy reviews and late comments. Many states have extended state processes for rule development. Consistency and timeliness in receiving EPA input during this process is important so states only have to go through the process once.

Recommendation: EPA Headquarters should establish procedures for Regional Offices to follow in reviewing state submittals which emphasize consistency (i.e., a single review standard), timeliness (i.e., comments provided during agreed timeframe), and certainty (i.e., comments represent final agency position). EPA Regional Offices need to work with states to ensure communication and coordination during the rule development process. In addition, EPA should develop a unified consistent database to track SIP processing in all the Regions.

3. Pursue more national/regional measures for mobile sources and fuels

In its 2004 report, the National Research Council recognized the effectiveness of national and regional control programs given the importance of multi-state transport of air pollution. While federal measures for mobile sources (both on-road and off-road) have led to emission reductions, mobile sources remain a large source sector in nonattainment area emission inventories. For example, in the Midwest, on-road and off-road sources contribute about 50% of total VOC and 65% of total NOx emissions. Further federal action is needed to help states develop effective attainment plans.

Recommendation: EPA should work with states to identify opportunities for additional federal measures for on-road and off-road sources.

4. Promote a more balanced modeling-data analysis approach in attainment demonstrations

Mathematical computer models play an important role in the air quality planning process. The January 2005 CAAAC report notes, however, that the current system is "top-heavy on modeling" and "light on tracking progress. Enhanced tracking and ambient monitoring data is a better use of available resources than intensive local modeling." When EPA last updated its modeling guidelines ("Guidance on the Use of Models and Other Analyses for Demonstrating Attainment of Air Quality Goals for Ozone, PM2.5, and Regional Haze", April 2007), it continued to promote the use of air quality models to demonstrate attainment, but also recognized the use of complementary analyses of air quality, emissions, and meteorological data in a weight of evidence determination. Oftentimes, there is still undue emphasis on modeling.

We think that a more balanced modeling-data analysis approach should be taken in demonstrating attainment. There is considerable value in ambient monitoring data and associated data analyses, including information on the effectiveness of past control programs and future possible emission reduction options. While the modeling process is well established through many years of applications, additional work will be needed to establish and ensure implementation of appropriate data analyses procedures.

Recommendation: EPA should modify its guidance to promote a more balanced use of modeling and data analyses to support air quality planning, including providing the basis for attainment demonstrations.

Summary

The States of Illinois, Indiana, Michigan, Ohio, and Wisconsin, hereby, wish to recommend the following actions by EPA to improve the air quality management process:

(1) Propose and finalize a complete set of regulatory requirements together with its action to review and revise the NAAQS. EPA should also work with states to estimate the resources needed to implement any new requirements and identify a mechanism to provide these resources.

(2) Establish procedures for reviewing state submittals which emphasize consistency, timeliness, and certainty.

(3) Work with states to identify opportunities for additional federal measures for on-road and off-road sources.

(4) Modify its guidance to promote a more balanced modeling-data analysis approach in attainment demonstrations.