

can rely on as they work to identify additional emission reductions they will need to include in a local area's attainment SIP.

2. EPA's Anticipated Approach

In providing their views to EPA on the 8-hour ozone implementation rule, the Ozone Transport Commission (OTC) and other State commenters have argued that the NO_x SIP Call and the Section 126 Rule are not fully adequate. In their view, additional steps are needed to reduce interstate transport of ozone and NO_x to assist downwind areas in meeting the 8-hour ozone standard. In particular, these commenters have expressed continued concern about upwind emissions from power plants and other major sources and transported pollution from upwind cities.

As described above, EPA has already taken two actions to address the issue of interstate transport for purposes of the 8-hour standard. The NO_x SIP Call and the Section 126 Rule require that States within the SIP Call make significant emissions reductions from power plants and other major sources that contribute to ozone nonattainment in downwind areas. For both rules, the compliance date for achieving the required emissions reductions is May 31, 2004.

EPA intends to investigate the extent, severity and sources of interstate ozone transport that will exist after the NO_x SIP Call and the Section 126 Rule are implemented in 2004. The Agency believes that it may be appropriate to consider the need to reduce interstate transport that contributes to unhealthy levels of PM_{2.5} in downwind nonattainment areas when looking at any additional requirements for reducing the transport of ozone or ozone precursors.

As noted above, the President recently proposed the CSA that, among other things, would achieve significant reductions—beyond those required under the SIP Call and the Section 126 Rule—in the regional transport of ozone and ozone precursors. Detailed modeling by EPA for the year 2010 shows that the 2008 Phase I NO_x limits in the CSA would reduce maximum 8-hour ozone levels in many parts of the eastern U.S., including a number of areas likely to be designated nonattainment for the 8-hour standard. The modeling results are available on the Web at <http://www.epa.gov/clearskies>.

The Clear Skies reductions would enable several additional areas to meet the 8-hour standard without imposing any additional local controls. A number of other areas would find it easier to meet the 8-hour standard because of the

additional reductions in power plant emissions that would be required under Clear Skies. However, the Agency has not made a determination that such reductions are warranted under the transport provisions of the CAA. As noted above, in order to evaluate this issue, the Agency intends to investigate the extent, severity and sources of interstate ozone transport that will exist after the existing transport rules are implemented in 2004.

The Agency welcomes input from States and other interested parties as to how to deal with ozone transport effectively and equitably and on the technical and other issues that will have to be confronted as part of an evaluation of what further steps should be taken beyond the existing NO_x SIP Call to deal with ozone transport.

3. Other Concerns About Transport

EPA realizes that, whatever measures may be taken in the future, attainment demonstrations for some areas would continue to be complicated by the effects of ozone and transport from upwind sources and other nonattainment areas in cases where upwind source controls are scheduled for implementation after the downwind area's attainment date (*e.g.*, 2007 attainment date).

Downwind areas could be in one of two situations. In the first situation, an area might be receiving such high levels of transported ozone or ozone precursors that even if it totally eliminated its own emissions, the incoming ozone and precursors would be sufficient to continue to cause violations of the standard beyond the applicable attainment date. In the second situation, the area might be able to achieve additional local reductions sufficient to demonstrate attainment. In this second case, the question arises as to whether it is equitable to require those reductions or to allow more time for the reductions in the "upwind" area to take place.³⁶

EPA solicits comment on how to address this issue. EPA believes that a subpart 1 area could be granted a later attainment date if warranted considering transport. For areas classified under subpart 2, the statute provides no express relief for these

³⁶ The CAA's requirement for RACM in section 172(c)(1) does require the SIP to include RACM; EPA has noted in policy elsewhere that a measure is RACM if it is technologically and economically feasible and if it would advance the attainment date. Thus, if there are measures available in the nonattainment area that would advance the attainment date—even if attainment is likely at a later date due to upwind emissions reductions that occur later—then the CAA requires such measures to be in the SIP.

situations. The area does have the option of requesting to be classified to the next higher classification. Thus, where the demonstration of attainment is complicated by transport between two areas of different classifications, the State is still responsible for developing and submitting demonstrations which show that the standard will be attained by the applicable date. In other words, the State must provide for sufficient emissions reductions on a schedule that will ensure attainment in its area.

One approach would be for States to work together in a collaborative process to perform the necessary analyses to identify appropriate controls that provide for attainment throughout the multi-State area. EPA believes that the wording in sections 172(c)(1) and 182(b)(1)(A)(i) requires the State to develop a plan providing such emissions reductions. States working together in a collaborative process could perform a comprehensive assessment of the impacts of all control measures being implemented in both the local and upwind areas. The analysis may show the extent to which the downwind area is dependent on upwind strategies while fully meeting its own requirements associated with its classification. Upwind areas may provide a comprehensive assessment of the impacts of all control measures being implemented on the downwind areas.

4. Other Options Considered

We considered a number of other options and approaches for addressing transport. The other options that were considered but are not being proposed are described in a separate document available in the docket.³⁷

G. How Will EPA Address Transport of Ground-level Ozone and its Precursors for Rural Nonattainment Areas, Multi-State Nonattainment Areas, Areas Affected by Intrastate Transport, and International Transport?

1. Rural Transport Nonattainment Areas

Section 182(h) recognizes that the ozone problem in a rural transport area is almost entirely attributable to emissions from upwind areas. Therefore, the only requirements for the rural area are the minimal requirements specified for areas expected to attain within 3 years of designation, the assumption being that the controls in

³⁷ Additional Options Considered for "Proposed Rule to Implement the 8-Hour Ozone National Ambient Air Quality Standard." U.S. Environmental Protection Agency, Office of Air Quality Planning and Standards, Research Triangle Park, NC. March 2003.