

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMEN

We make Indiana a cleaner, healthier place to live.

Joseph E. Kernan Governor

Lori F. Kaplan Commissioner

100 North Senate Avenue P.O. Box 6015 Indianapolis, Indiana 46206-6015 (317) 232-8603 (800) 451-6027 www.IN.gov/idem

February 15, 2004

Mr. Thomas V. Skinner Regional Administrator U.S. Environmental Protection Agency Region 5 77 West Jackson Blvd. Chicago, IL 60604

> RE: Preliminary Recommendations Concerning Air Quality Designations for PM2.5 National Ambient Air Quality Standards

Dear Mr. Skinner:

This letter is in response to the United States Environmental Protection Agency's (EPA) April 1, 2003 guidance memorandum concerning air quality designations for the National Ambient Air Quality Standard for PM2.5. The guidance indicates EPA's intention to propose designations in July of 2004 and finalize them by December 15, 2004, and requests that states submit their recommendations by February 15, 2004.

In 1997, EPA promulgated new standards for particulate matter of the size 2.5 microns and smaller (PM2.5 or "fine particulate"). Thorough studies have shown that exposure to certain levels of fine particulate can have adverse effects on humans. We share in this effort to improve the health of our citizens.

Pursuant to the Clean Air Act Section 107, formal steps to implement the new standards begin with the designation of areas that do not attain the standards or are contributing to such an area. This letter provides the state's preliminary recommendations for the nonattainment areas in Indiana. Indiana is committed to implementing the planning process and providing healthy air for all of our citizens.

At the outset, I am pleased to note that Indiana does not have any violations of the 24-hour standard. Therefore, our recommendations are limited to designations for the annual standard.

We make preliminary recommendations today. Several factors greatly complicate the ability of the public, the State of Indiana and EPA to make nonattainment designations for PM2.5:

- 1. EPA has not proposed or finalized essential guidance on implementing the PM2.5 standards. The PM2.5 implementation rule is critical to understanding the significance and consequences of a nonattainment designation and the planning procedures that a nonattainment designation triggers.
- 2. EPA is poised to automatically impose tougher permit requirements that have not been shown to be necessary for every new nonattainment area. Based on EPA's statements to date relative to the ozone standard, it is presumed that EPA will seek to impose nonattainment area new source review immediately for any area designated as nonattainment for PM2.5. Indiana cannot support that approach. A careful evaluation should be conducted to determine the measures needed to attain and maintain the PM2.5 standard, given air quality measures already in place at the state and federal level, before any new requirements are established. We believe that is the purpose of the planning process in the federal Clean Air Act. If this presumption is not correct, the significance of a nonattainment designation would be different.
- 3. The science associated with determining the causes and contributions to PM2.5 nonattainment is developing and not yet ready to draw conclusions. Modeling and other technical analyses have not progressed to the point where we can know with certainty which geographic areas to control, which sources to control and the quantity of pollutants to control. Significant technical work will take place to fill these gaps over the next 10 months before final designations and beyond. Until these analyses are conducted and more is known relative to the causes and contributions to PM2.5 nonattainment and the trends in PM2.5 air quality, any areas designated as nonattainment should be limited to those that clearly directly influence the existing monitor readings.
- 4. A significant regional component to PM2.5 nonattainment exists. Current scientific evidence, including EPA's modeling for the proposed Interstate Air Quality Rule and the Lake Michigan Air Directors' Consortium technical analysis, does show there is a large regional component to PM2.5, in addition to a local component. There is widespread recognition that regional controls of SO2 and NOx will be necessary to address PM2.5 nationwide. For those counties with violations, regional controls should take them a long way toward compliance. (For example, EPA's modeling shows its proposed Interstate Transport Rule will bring all Indiana counties into attainment by 2015, though I note that states have not yet had an opportunity to thoroughly review EPA's technical work.) Despite this regional component, Indiana's monitors do not show widespread violations of the annual standard. Many of Indiana's urban and suburban counties monitor compliance. Nonattainment designations for these urban and suburban counties would impose economic hardships and encourage urban sprawl beyond the current urban boundaries without contributing to attainment in adjacent counties. As noted above, nonattainment designations would lead to mandatory local controls. including stricter permitting of new sources, which may be unnecessary. Technical analysis to date is not conclusive on the issue of how local emissions decreases will impact PM2.5 concentrations.

As a final matter, we urge EPA to complete the PM2.5 implementation rule soon, and in doing so, provide states with as much flexibility as possible to develop State Implementation Plans. In addition, we urge EPA to reconcile the attainment dates for PM2.5 with the NOx and SO2 reduction dates in the Interstate Air Quality Rule. PM2.5 SIPs will be due in early 2008, and attainment will be required by early 2010. If the first set of proposed reductions do not occur until

2010, attainment cannot be shown until 2013 at the earliest. We also urge EPA to harmonize as much as possible the planning and implementation for PM2.5 with ozone and regional haze efforts.

This letter includes several attachments and figures setting forth our preliminary recommendations:

- Enclosure 1 list of Indiana counties and Indiana's recommendations at this time
 - Figure 1 table of PM2.5 monitor values in the state
 - Figure 2 map of recommendations in Enclosure 1
- Enclosure 2 an analysis and discussion of each area within Indiana using the criteria in EPA's guidance documents.
 - Figures 3.1-3.3 tables of incomplete monitor data analysis

As the above documents note, Indiana does not support the designation of nonattainment for any county that does not have a monitored violation of the PM2.5 National Ambient Air Quality Standard. Indiana is also prepared to track the PM2.5 readings in 2004 closely and will urge an attainment designation for any county in Indiana that is clearly trending toward attainment before EPA makes its final designations (or to immediately request redesignation to attainment after EPA makes its final designations).

Thank you for this opportunity to make recommendations on this important matter. If you have any questions, please do not hesitate to contact me at (317) 232-8611 or Janet McCabe at (317) 232-8222.

Sincerely,

Lori F. Kaplan Commissioner

Pari 7 Kaplan

LFK/kw Enclosures

cc: Steve Rothblatt, Region 5
Jay Bortzer, Region 5