

U.S. EPA FACT SHEET

South Coast Air Quality Management District Proposed Approval of Rule 317 “Clean Air Act Non-Attainment Fee”

January 4, 2012

Summary

- Today, the U.S. Environmental Protection Agency (EPA) is proposing to approve South Coast Air Quality Management District (SC) Rule 317 as an equivalent alternative program that meets Clean Air Act (CAA) Section 185 fee program requirements for the 1-hour ozone standard.
- The SC equivalent alternative program would include at least as many funds as a CAA Section 185 program, and is designed to result in direct reductions or facilitate future reductions of VOC or NO_x emissions.

Background

- CAA Sections 182 and 185 require that states with Severe and Extreme 1-hour ozone nonattainment areas submit a revision to the State Implementation Plan (SIP) that assesses fees on certain major stationary sources. Under Section 185, the SIPs must require these sources to pay fees if the area has failed to attain the 1-hour ozone standard by the applicable attainment date.
- EPA is proposing to allow states to develop alternative equivalent programs that either provide as many funds, and/or result in as many emission reductions as a CAA Section 185 program. The funds are directed toward emission reductions.
- Although the 1-hour ozone standard was revoked in 2004, “anti-backsliding” requirements such as Section 185 fees and contingency measures continue to apply.
- SC has two 1-hour ozone nonattainment areas: 1) Los Angeles-South Coast Air Basin Area classified Extreme, and 2) Coachella Valley portion of the Southeast Desert Modified Air Quality Maintenance Area classified as Severe-17. Consequently, SC was required to develop and submit a section 185 fee program SIP.
- On December 30, 2011 (76 FR 82133), we published a finding that the South Coast Air Basin and the Southeast Desert Modified Air Quality Maintenance Area failed to attain the 1-hour ozone standard by their applicable attainment dates.
- On February 4, 2011, SC adopted Rule 317, an equivalent alternative 185 program. Under Rule 317, SC will annually determine the fee obligation under a direct

implementation of Section 185, and demonstrate to EPA that SC spent equivalent funds for projects that reduce emissions and improve air quality in the SC.

- EPA believes that an alternative program may be acceptable if EPA determines, through notice-and-comment rulemaking, that it is consistent with the principles of section 172(e) of the CAA and is not less stringent than a program prescribed by section 185. Today, EPA is inviting the public to comment on whether it is appropriate for EPA to consider an alternative program and, if so, whether SC's program would constitute an approvable equivalent alternative program under the CAA.
- Today's proposed approval is based on EPA's preliminary finding that SC Rule 317 is not less stringent than the program required by CAA section 185 and is therefore approvable as satisfying the 1-hour ozone section 185 fee program requirements.

Next Steps

- EPA is providing a 30-day public comment period on the proposed approval of Rule 317.

How to Comment

- EPA will accept comment on the proposal for 30 days after publication in the Federal Register. Comments, identified by docket number EPA-R09-OAR-2011-0876, may be submitted by one of the following methods:
 - www.regulations.gov: Follow the on-line instructions for submitting comments.
 - E-mail: steckel.andrew@epa.gov.
 - Mail or deliver: Andrew Steckel (Air-4), U.S. Environmental Protection Agency Region IX, 75 Hawthorne Street, San Francisco, CA 94105-3901.

For More Information:

You may also view the proposed approval online shortly, at:

<http://www.epa.gov/region9/air/actions/ca.html#south>.

For further information about these actions, contact Ms. Lily Wong of EPA Region 9, Rules Office, at (415) 947-4114 or by e-mail at wong.lily@epa.gov.