

FACT SHEET

**EPA Approval of
South Coast Air Quality Management District
Rule 317
“Clean Air Act Non-Attainment Fee”
*September 20, 2012***

Summary

- Today, the U.S. Environmental Protection Agency (EPA) is finalizing approval of South Coast Air Quality Management District (SC) Rule 317, “Clean Air Act Non-Attainment Fee” as meeting the 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 SC and other areas 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.
- Although the 1-hour ozone standard was revoked in 2004, the requirements of Section 185 continue to apply as “anti-backsliding” requirements to ensure continued air quality progress.
- Under SC Rule 317, SC will annually determine the fee obligation under a direct implementation of Section 185, and demonstrate that SC spent at least equivalent funds for projects that reduce emissions and improve air quality in the SC.
- SC estimated that the 185 annual fee obligation would be approximately \$30 million and estimated that approximately \$250 million would initially be available to demonstrate equivalency. The funds would be used for projects to improve air quality including replacing diesel trucks and buses with cleaner engines, and developing plug-in hybrid technology and infrastructure.

- On January 12, 2012, EPA proposed to approve SC Rule 317 and invited the public to comment on whether it is appropriate for EPA to consider an alternative program and, if so, whether SCAQMD's program would constitute an approvable alternative program under the CAA.
- Today's approval summarizes and responds to the public comments, and concludes that Rule 317 imposes control measures that, consistent with the principles of CAA Section 172(e), are at least as stringent as those under CAA Section 185, and therefore approvable.

Next Steps

- The RA signed today the Federal Register notice finalizing EPA's approval of SC Rule 317. It will be published in a few weeks. The final approval becomes effective 30 days from the date of publication.

For More Information:

You may also view the final approval online shortly from EPA's Web site. Go to "South Coast" at <http://www.epa.gov/region9/air/actions/ca.html>

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.