



This Week in Review – August 22-26, 2005

(1) Administration Proposes New CAFE Standards for Light-Duty Trucks (August 23, 2005) – The U.S. Department of Transportation (DOT) has proposed a modest increase in fuel economy standards for light-duty trucks, some sport utility vehicles (SUVs) and minivans. DOT says these changes are expected to cut nationwide fuel consumption by 10 billion gallons over the lifetime of vehicles sold during the 2008 through 2011 model years. This proposal does not affect the passenger car standard of 27.5 miles per gallon (mpg) or extend standards to vehicles weighing between 8,500 and 10,000 pounds, a category that includes the Hummer H2, Ford Excursion and Chevy Suburban. The proposal would divide light-duty trucks and SUVs below 8,500 pounds into six categories based on the vehicle footprint. Under the current system, light-duty truck manufacturers are required to meet a Corporate Average Fuel Economy (CAFE) standard of 21 mpg, increasing to 22.2 mpg in 2007. Under the proposed reformed CAFE approach, fuel economy for the lightest category of vehicles would increase to 28.4 mpg by 2011, while the fuel economy for the heaviest category would be set at 21.2 mpg. During the phase-in period of 2008-2010, manufacturers may choose to meet the existing unreformed CAFE standard, which divides vehicle fleets into two categories (passenger vehicles and light-duty trucks), or they may choose to adopt the reformed CAFE approach. By 2011, all vehicle manufacturers will be required to use the reformed CAFE approach. The Administration also includes the following language in the proposed rulemaking relevant to states' greenhouse gas rules, "[w]e affirm our view that a state may not impose a legal requirement relating to fuel economy, whether by statute, regulation or otherwise, that conflicts with this rule. A state law that seeks to reduce motor vehicle carbon dioxide emissions is both expressly and impliedly preempted." Comments on the proposed rulemaking should be submitted to DOT by November 22, 2005. [For further information: Air Web – In the News and Mobile Sources and Fuels Committee pages; or <http://nhtsa.gov/staticfiles/DOT/NHTSA/Rulemaking/Rules/Associated%20Files/CAFE-LightTrucks-PR.pdf>]

(2) 1999 National-Scale Air Toxics Assessment Data Available for State, Local Preview (August 22, 2005) – EPA has made available the information contained on the Agency's 1999 National-Scale Air Toxics Assessment web site for advance review by state, local and tribal agencies. Instructions for accessing the web site have been sent to STAPPA and ALAPCO members. This information is for state, local and tribal review only and should not be shared with any other groups or parties. Comments on

the data contained in this web site should be sent directly to EPA by Thursday, September 22, 2005.

(3) EPA Grants Waiver for 2007 California Heavy Duty Diesel Engine Standards (August 26, 2005) – Responding to a July 16, 2004 request from the California Air Resources Board, EPA has granted their request for a waiver of federal preemption for its heavy duty diesel regulations for 2007 and subsequent model year vehicles and engines and related test procedures including the not-to-exceed (NTE) and supplemental steady-state tests to determine compliance with applicable standards. This action is taken pursuant to Section 209(b) of the Clean Air Act, 42 U.S.C. 7543(b). California requested the waiver noting that its regulations would “primarily align California’s standards and test procedures with the federal standards and test procedures for 2007 and subsequent model year vehicles and engines.” For additional information: www.epa.gov/docs/fedrgstr/EPA-AIR]

(4) RGGI Staff Working Group Releases Proposal for Greenhouse Gas Reduction Program (August 25, 2005) – In a memorandum to states participating in the Regional Greenhouse Gas Initiative (RGGI), the RGGI Staff Working Group transmitted its proposal for a regional cap-and-trade program to control emissions of carbon dioxide (CO₂) from power plants in the Northeast. Specifically, the Staff Working Group recommends a two-phase cap starting with the stabilization of current emissions at 150,602,356 short tons from 2009 through 2015, followed by a 10-percent reduction between 2015 and 2020. Using 2000-2004 emissions data, electricity consumption, population, potential emissions leakage and provision for new sources, the Staff Working Group estimates initial state emissions budgets at 10,957,575 short tons for Connecticut; 7,570,787 short tons for Delaware; 5,492,902 short tons for Maine; 25,335,204 short tons for Massachusetts; 8,645,460 short tons for New Hampshire; 23,009,554 short tons for New Jersey; 65,576,805 short tons for New York; 2,665,239 short tons for Rhode Island and 1,348,830 short tons for Vermont. Under the proposal, states can allocate their allowances at their own discretion; however, the Staff Working Group recommends that they set-aside 5 percent of their emission budget for the regional Strategic Carbon Fund (SCF) and 20 percent for a public benefit purpose. The SCF will be used to achieve additional environmental benefits or to offset potential emissions leakage that may result from an increase in electricity imports once the program is implemented. If approved, the proposal will be included in a Memorandum of Understanding which will clear the way for participating states to develop a model rule. [For further information: www.rggi.org/docs/rggi_proposal_8_24_05.pdf]

(5) EPA Rule Adjusts Benefit of Noncompliance for Calculation in Civil Penalties (August 26, 2005) – EPA has finalized a rule on how it calculates the economic benefit of noncompliance when calculating a civil penalty in an enforcement case brought under an environmental statute. EPA enforcement staff typically use the BEN (short for “benefit”) model to perform the economic benefit calculations when figuring a civil penalty stemming from an enforcement action. Although the Agency has sought an alternative computer model to BEN since 1996, it has not found one. Instead, EPA has developed a draft conceptual framework document that determines

the economic benefit from the violator's illegal competitive advantage and has initiated a peer review process by its Science Advisory Board to examine this kind of benefit. The August 26, 2005 *Federal Register* notice states that eight sets of changes are also being made that should improve the precision and function of the BEN model's calculation methodology...[t]he two most significant [of which] involve tailoring the discount/compound rate to the case and using a more precise inflation adjustment. [For further information: 70 *Federal Register* 50326, and www.epa.gov/compliance/civil/econmodels/index.html.]

(6) EPA Awards \$1.4 Million to West Coast Collaborative to Reduce Diesel Pollution (August 22, 2005) – EPA has announced \$1.4 million in grants that should leverage \$5.8 million in matching funds for efforts to reduce diesel emissions as part of the West Coast Collaborative. The West Coast Collaborative is a public-private partnership of federal, state and local governments, private industry, and environmental groups working to reduce emissions from diesel sources in California, Oregon, Washington, Arizona, Alaska, Idaho, Canada and Mexico. The West Coast Collaborative is part of EPA's National Clean Diesel Campaign. These grants will fund 16 new Collaborative projects in California, Oregon and Washington. The projects are expected to reduce emissions from five industry sectors: construction and distributed generation; trucking; locomotive and rail; marine vessels and ports; and agriculture. [For further information: www.westcoastcollaborative.org]

(7) EPA Holds 2005 Air Innovations Conference, Announces Availability of Two \$50K Grants (August 24-26, 2005) – EPA convened its *2005 Air Innovations Conference* in Chicago, with an agenda focused on integrated and innovative approaches for improving air quality. Over 300 attendees took part in sessions addressing innovative strategies and technologies for advancing energy efficiency and renewable energy, integrating energy efficiency and renewable energy into air quality planning, innovative initiatives – from industry to grass roots – for clean air, new federal partnership programs, smart growth, future clean diesel programs, technological solutions in transportation, financing innovative programs and what is on the horizon in terms of innovations. In addition, participants divided into smaller groups for interactive break-out sessions to discuss future EPA policy and guidance, multi-pollutant strategies, co-benefits and incentives for innovative programs. During the conference, EPA announced the availability of two \$50,000 grants to facilitate state/local/tribal innovative approaches to reducing air pollution. Grant proposal selection criteria will include innovation, immediate significance, long-term significance, project feasibility, budget, communications plan and performance measures. Grant proposals – to be no more than four pages – must include a short descriptive title, problem statement, project description, budget and communication plan; identify a lead organization, key participants and funding sources; and describe expected benefits and how the methodology can or will be transferred to others. Proposals must be submitted to EPA by September 30, 2005; questions should be directed to David Cole of EPA at (919) 541-5565. [For further information: www.cleanairinfo.com/airinnovations2005]

(8) Acid Rain Program Report Released (August 23, 2005) – The White House National Science and Technology Council released a report assessing the impact of the acid rain reduction program through 2002. The report stated that sulfur dioxide (SO₂) emissions were 25-40 percent below allowable levels during Phase I of the program and emissions are expected to decline to approximately 9.86 million tons by 2010. In 2002, SO₂ emissions from power generation amounted to 10.2 million tons, 35 percent lower than 1990 emissions. The report found that nitrogen deposition had not been addressed as successfully, although an overall reduction of 40 percent from 1990 levels is expected by 2010 through the Title IV acid rain program and the nitrogen oxides (NO_x) SIP Call. In 2002, NO_x emissions from power generation amounted to 4.5 million tons, 33 percent lower than 1990 emissions, but wet nitrate deposition has not decreased regionally from historic levels, in part because of the continuing large contribution of NO_x emissions (over 50 percent) from other sources, such as nonroad and onroad vehicles. Eight percent of the lakes in the Adirondacks remain acidic – down from 13 percent in the early 1990s – and 5.5 percent of lakes in New England are acidic, “an insignificant change from the early 1990s when 5.6 [percent] of lakes in the region were acidic.” Fewer than one percent of lakes in the Midwest are acidic, compared to three percent in the early 1980s, and there has been no change in the number of acidic waters in the Ridge/Blue Ridge region in the past decade. The report’s analysis was completed prior to EPA’s issuance of the Clean Air Interstate Rule, the Nonroad Diesel Rule and the Best Available Retrofit Technology guidance for regional haze. [For further information: Air Web – Criteria Pollutants Committee page]

(9) Virginia Power Plant Halts Production Due to Air Pollution Problems (August 25, 2005) – Mirant Corporation has temporarily halted power production at all five units of its Alexandria, Virginia plant because it has been unable to identify a short-term solution to address modeled exceedances of National Ambient Air Quality Standards related to the facility. On August 19, the Virginia Department of Environmental Quality gave Mirant a deadline of August 24 to submit a summary of actions the plant would take to eliminate exceedances in the immediate area around the plant. On August 21, the facility reduced the output of all its units, but the action was not sufficient. Mirant planned to keep the plant in standby mode for 24 hours after the shutdown, which would allow it to return to service quickly. If it remains shut down beyond 24 hours, it could take several days to restart the facility. [For further information: www.deq.state.va.us and www.mirant.com]

(10) Coalition of Environmental Groups Calls on EPA to Control Toxics from PVC Plants (August 24, 2005) – A group of environmental and public health organizations sent a letter to EPA urging the agency to establish standards to significantly reduce emissions of hazardous air pollutants from polyvinyl chloride (PVC) facilities. As the result of a lawsuit, in April 2005 a federal court vacated the PVC MACT EPA had published in July 2002. EPA must now establish a new standard. The groups urged EPA to meet with them and to hold meetings in each community in which a PVC plant is located to discuss EPA’s establishment of a replacement standard and the need for EPA to assess the impacts of PVC emissions on human health and the environment. STAPPA and ALAPCO are currently

compiling information on PVC emissions in an effort to develop a model rule for state and local agencies that wish to regulate these sources. [For further information: www.earthjustice.org/news/display.html?ID=1040]

(11) Guidebook Released on Assessing Emissions from Transportation and Land Use (August 22, 2005) – The Center for Clean Air Policy released a guidebook that helps users assess the air pollution, energy use and greenhouse gas emissions benefits of a variety of transportation and land use policies. The guidebook includes policy overviews, success stories and links to key models and resources as well as an emissions calculator. This edition focuses on land use, transit and travel demand management. The second part of the guidebook, which focuses on vehicle technology and fuels, will be released in early 2006. [For further information: Air Web – Criteria Pollutants, Global Warming and Mobile Sources Committee pages]

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