

Policy and Planning Subgroup on NAS Air Quality Management Report
DRAFT July 7
Regional and National Strategies

Selected Findings of NAS Air Quality Management Report

National Academy of Sciences report on air quality management found:

\$ federal emission-control measures ease State/local burden of attaining and maintaining the National Ambient Air Quality Standards (NAAQS),

\$ several early gains from rate-based federal pollution controls have often been offset by growth and other factors and not promoted innovation,

\$ often federal mobile and stationary source controls cover new sources and do not address existing sources that are causing nonattainment,

\$ cap-and-trade has provided a highly cost-effective approach to reducing emissions and preventing them from increasing at a national and regional levels that could have further useful applications.

Work Plan Tasks Focusing on Regional and National Strategies

1. After examining emissions inventory projections (detailed at the source category and state level) and air quality projections for 2010 that show where nonattainment for the NAAQS is likely for ozone and fine particles, identify significant federal actions to lower emissions from various source categories that could be undertaken in the next 3 to 5 years under the existing Clean Air Act that will help States attain and maintain compliance with the National Ambient Air Quality Standards. For each pollutant/source category where something significant could be done to lower emissions, estimate how large the air emissions reductions could be over the next 5 to 10 years, and provide the basis for the estimate. Further consider other important factors important to making recommendations on federal actions that at least include the level of resources required to set up the program, state of pollution control technologies to address emissions, Acontrollability @ of the different types of sources of emissions, statutory authority, quality of the air emissions inventory and projections, and research that is needed to develop these rules? Areas where there is no statutory authority to take action will be set aside for future evaluation efforts on how to amend the CAAA. Additionally, the group will consider where there are either gaps in today's emission inventories, or data quality problems and make specific recommendations for inventory improvements.

2. Consider approaches (such as emissions cap-and-trade, or direct performance-based regulation) that could be used to address the most promising

areas of federal action identified under Issue 1 and make recommendations (where appropriate) on viable pollution control approaches for EPA to investigate further. These approaches would include at least the examination of national mandatory engineering-performance standards, cap-and-trade programs on a national and regional level, federally supported voluntary programs (including ones that factor in energy efficiency) for groups that are difficult to regulate, and other market-based programs. Special attention would be given to existing sources of emissions, such as nonroad diesel equipment. Additionally, attention will be given to how well relevant existing federal, state, and local voluntary programs have worked to lower air emissions and this will be factored into the evaluation process. The latter two issues will be addressed by the Subgroup as a whole.

3. Until work on item 1 is complete, we will research and categorize the types of approaches to air emissions control that there are (under Item 2) and consider the general advantages and disadvantages of each. The group will also consider what aspects of each source category of pollution are important to selection of various pollution reduction approaches, e.g. cap-and-trade systems work best when you have a fairly well-defined emissions inventory and good monitoring systems in place or potentially available.

4. Consider how EPA has set different types of emissions controls through standards covering pollutants that contribute to nonattainment with the NAAQS and how these rules could be changed to make them more effective in holding down emissions (e.g. capping pollution) and/or encouraging innovative approaches to compliance (e.g. output-based standards.) The NAS identified the desirability of setting Atechnology neutral standards.@ Identify areas where changes are likely to have the greatest benefits in improving the cost-effectiveness and efficacy of EPA=s standards and producing meaningful results quickly.

For each of the above tasks, EPA staff assigned to this project will provide relevant background information and briefings to the subgroup and prepare initial straw proposals on evaluative criteria that will needed by the subgroup to perform each task. EPA staff will solicit from the subgroup its views on these evaluative criteria during this effort, facilitate group discussions of each task, record, and distribute results of subgroup sessions. Propose that subgroup largely work on Tasks 1-3 in July through September, and complete Task 4 during October. Work will occur at three face-to-face meetings and ad hoc conference calls during this time period.

The first face-to-face meeting is planned August 13th. Prior to that time, EPA staff proposes to send out national emissions inventory projection for 2010 by pollutant and source categories (excel spreadsheet), and straw evaluative criteria for identifying areas where significant federal actions could be taken to address future nonattainment.