

same criteria category may have different effects on air quality. However, other commenters were of the opinion that without any specific standards for individual pollutants within a criteria category, EPA cannot prevent trades between pollutants in the same category. EPA recognizes that pollutants in the same category may have different impacts, and will take this into consideration to the extent legally possible when reviewing proposed trades.

8. *Open dust source trades.* The proposed policy did not allow trading particulate emissions from open dust sources against particulate emissions from stacks or industrial processes. Many commenters objected to this prohibition and the reasoning that EPA used to support its decision. EPA has reviewed this issue and has decided to no longer categorically prohibit open dust trades. However, the Agency still believes it is especially difficult to ensure equivalent air quality impacts for such trades. Due to the shortcomings of air quality models for open dust sources, EPA will insist on a thorough justification and explanation of all critical inputs to the emission and air quality calculations for any proposals based on modeling demonstrations. Generally, EPA will not approve any proposed alternative emission strategy based on a modeling demonstration that proposes to substitute controls on open dust emissions for reasonable controls on the more significant sources of process emissions. EPA will accept good modeling demonstrations for trades that do not affect the use of basic controls. As an alternative to modeling, sources can propose trades without these restrictions if they demonstrate the equivalency of the trades by installing open dust source controls and monitoring the results.

9. *Hazardous pollutant trades.* Several commenters suggested that the policy should allow trades between the same hazardous pollutant. We have clarified our position on this matter and have stated that the emissions of pollutants that are currently listed under Section 112 (but not specifically regulated) may be increased at one emission point only as long as there is a compensating decrease in the emission of the same pollutant at another point. For those pollutants listed under §112 in the future, similar trading restraints will apply. However, in all cases, sources must comply with applicable Section 112 regulations and they cannot use an alternative emission control to do this.

10. *Trades between criteria pollutant categories.* Other commenters urged

EPA to consider allowing trades between criteria categories if the results will be beneficial, e.g., trading a decrease in a pollutant seriously violating NAAQS for an increase in a pollutant with a minor violation. EPA cannot consider any trades involving pollutants from different criteria categories because the Clean Air Act requires SIPs to provide for attainment for every standard. EPA may not approve a revision that makes a violation worse for one standard, regardless of any offsetting benefits for another standard.

11. *Equal emissions.* There were comments that suggested that it was unduly restrictive to require trades under an alternative approach to be equal, since in some cases this is more control than is necessary to protect ambient air quality. One commenter thought that the policy should not prevent VOC sources from increasing emissions because, unlike other pollutants, they do not create a localized nonattainment problem.

EPA recognizes that the Clean Air Act permits states to revise their SIPs in ways that allow increases in total emissions from a source, a plant, or an area. But, there are significant restrictions on this authority: The revised SIP must demonstrate attainment and maintenance of the standards; the requirements for reasonable further progress in reducing emissions and for attainment as expeditiously as practicable must be satisfied; and the revision must not interfere with the Prevention of Significant Deterioration program. However, the fact that the Act does not completely prohibit SIP revisions that increase overall emission does not lead EPA to encourage such revisions as an element of this policy statement.

In EPA's opinion there are important policy reasons to discourage SIP revisions that increase overall emissions. A growing number of serious air quality problems are now recognized as covering broad regions of the country: ozone violations, elevated sulfates and "acid rain," and visibility reduction. SIP revisions that permit significant increases in total emissions of the major criteria pollutants can exacerbate some or all of the current wide-scale air quality problems. Therefore, EPA does not encourage by this policy, or as a more general matter, SIP revisions that result in overall emission increases. In particular, EPA will not approve such SIP revisions to the extent consistent with its current legal authority.

12. *Multipoint emissions trades.* Several commenters said that use of an alternative approach should not be

restricted to a single plant. They said that this restriction creates an arbitrary boundary for trading emissions since the policy already requires a source to demonstrate that the alternative strategy will not harm air quality.

EPA has changed the policy to allow more than one plant in the same area to be included in an alternative emissions abatement strategy. However, EPA will require modeling (except in the case of hydrocarbons and ozone) to show that air quality will be protected.

Other Issues

1. *Worker exposure.* The Agency received a recommendation that it disapprove any alternative approach that will increase the concentration of pollutants to which any group of workers is exposed. EPA has specifically forbidden trades involving coke oven particulate emissions. In many instances emissions close to ground level, where workers are located, may have to be weighed differently than emissions from high stacks. While EPA does not have the statutory authority to specifically prohibit a trade because of increased worker exposure, we encourage states to examine this issue and avoid decisions that would increase worker exposure.

2. *Energy management.* There was a suggestion that the alternative emission policy should encourage innovative energy management approaches by providing for greater flexibility in the use of alternative fuels to meet SIP requirements. EPA feels that the alternative approach provides flexibility for fuel switching to balance emission limits, and to the extent that energy is a growing component of the cost of meeting pollution control requirements, sources will seek to minimize energy use. However, EPA does not have the authority to take into account such factors as energy savings or choice of fuel when it reviews alternative strategies.

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