



Terry Tamminen
Agency Secretary

Air Resources Board

Alan C. Lloyd, Ph.D.
Chairman

1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov



Arnold Schwarzenegger
Governor

January 9, 2004

Mr. Wayne Nastri
Regional Administrator
Region IX
U.S. Environmental Protection Agency
75 Hawthorne Street
San Francisco, California 94105

Dear Mr. Nastri:

The Air Resources Board (ARB or Board) hereby submits to the U.S. Environmental Protection Agency (U.S. EPA) the Final 2003 State and Federal Strategy (Statewide Strategy) for the California State Implementation Plan (SIP), adopted on October 23, 2003. The Statewide Strategy describes the Board's commitments to further reduce ozone and particulate pollution throughout California by 2010. The Statewide Strategy updates and replaces the State's control measure commitments in the existing 1994 Ozone SIP, as modified in 1999 for South Coast. This submittal meets Clean Air Act requirements and merits timely approval to strengthen California's SIP.

Background

The 1994 Ozone SIP included extensive commitments by ARB, the Bureau of Automotive Repair (BAR), and the Department of Pesticide Regulation (DPR) to develop and adopt new measures, with specific emission reductions identified for six ozone nonattainment areas in California (South Coast, San Joaquin Valley, Sacramento Region, Southeast Desert, Ventura, and San Diego). By the end of 2002, ARB and other State agencies had adopted over 20 emission reduction measures for ozone, including 10 not specifically envisioned in that SIP. In the same timeframe, U.S. EPA had implemented 6 of the 7 federal measures identified in the 1994 SIP for the South Coast and has adopted additional regulations not envisioned in the SIP. All of these State and federal regulations adopted through 2002 are reflected in the emissions baseline of the Statewide Strategy for the South Coast and San Joaquin Valley.

With most of the State's 1994 SIP measures adopted and being implemented, ARB recognized the need for new measures to continue reducing emissions and help the South Coast and San Joaquin Valley meet the existing federal air quality standards by 2010. The new Statewide Strategy is designed to achieve the next increment of progress toward the federal one-hour ozone and particulate matter (PM10) standards.

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our Website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

It also strengthens the foundation for future California SIP revisions to attain the eight-hour ozone and fine particulate matter (PM_{2.5}) standards.

ARB has already submitted commitments to develop a subset of the measures in the Statewide Strategy as part of the 2003 San Joaquin Valley PM₁₀ Plan. Today's submittal includes the full set of commitments, with specified emission reductions for the South Coast Air Basin. For upcoming SIP revisions in areas that need additional reductions for attainment, we will identify the appropriate benefits to be credited from the Statewide Strategy in the submittal for each region.

State Control Strategy

The Statewide Strategy updates and entirely replaces the State's commitments in the 1994 Ozone SIP, amended in the 1999 SIP for South Coast. With this submittal, ARB is including State commitments to achieve 500 tons per day (tpd) of emission reductions in the South Coast from new measures. For areas outside the South Coast where State measures have not yet achieved the full emission reductions ascribed to them in the existing SIP, the Statewide Strategy retains the State's commitment to achieve the same aggregate emission reductions. However, the specific measures to achieve those reductions are being replaced by the combination of adopted regulations and new measures to be developed.

The Final Statewide Strategy includes several components.

- ***Defined Measures.*** State agencies have committed to pursue 20 new defined statewide control measures that target a broad spectrum of sources (cars and trucks, off-road engines, fuels and fueling emissions, and consumer products), and continue the existing SIP commitment to reduce volatile pesticide emissions. ARB has committed to achieve at least 50 tpd reactive organic gas (ROG) and 59 tpd nitrogen oxides (NO_x) emission reductions in South Coast in 2010 from these or other measures to be adopted by 2006, with additional benefits expected across the State. These measures are also anticipated to provide significant reductions in emissions of particulate matter, carbon monoxide, and toxic air pollutants.

California has already taken action to adopt three of the 20 specified new measures in the Statewide Strategy. In July 2003, ARB adopted a regulation to reduce diesel sulfur levels to 15 parts per million for diesel fuel used in vehicles and off-road equipment in California, beginning in 2006, thereby fulfilling the commitment for SIP Measure FUEL-2. In September 2003, ARB adopted more stringent emission standards for lawn, garden and industrial equipment, such as string trimmers, leaf blowers, walk-behind lawn mowers, generators, and lawn tractors, thereby fulfilling the commitments for SIP Measures SMALL-OFF-RD-1

and SMALL-OFF-RD-2. In addition, BAR has already implemented a series of improvements to California's Smog Check program which fulfill two of the three elements of SIP Measure LT/MED-DUTY-2.

- ***Additional Measure for South Coast.*** ARB has also committed to identify and adopt strategies by 2008 to achieve an additional 97 tpd combined ROG and NOx emission reductions in the South Coast in 2010. Statewide measures adopted to fulfill this commitment can be credited in future SIPs for other areas as well.
- ***Control Concepts for Evaluation.*** ARB has further committed to evaluate the feasibility of 21 additional control concepts between 2004-2006 and adopt those found to be feasible as SIP measures on a specified schedule. Some of these concepts would require additional funding and/or authority. Statewide measures adopted to fulfill this commitment can be credited in future SIPs for other areas as well.
- ***Long-Term Measure.*** The Statewide Strategy also includes a long-term emission reduction commitment of 118-233 tpd ROG and 0-159 tpd NOx for the South Coast, consistent with section 182(e)(5) of the Clean Air Act, which reflects the additional reductions needed to reach the 2010 attainment emissions target. The Clean Air Act recognizes that extreme ozone nonattainment areas, such as the South Coast, must rely on evolving technologies to meet attainment goals. As the agency responsible for SIP compliance in California, ARB has committed to head a multi-agency effort and ensure the remaining long-term measures are identified by 2007 and adopted and implemented by the 2010 ozone season.

At the October 2003 hearing, ARB staff identified approaches to achieve up to 66 tpd of the long-term ROG plus NOx reductions from some of the concepts described above that would require new authority or funding to implement, contingent on obtaining adequate authority and funding. To solicit public participation in the effort to identify further emission reduction strategies, ARB will hold a SIP Summit in Sacramento on January 13 and 14, 2004.

The long-term emission reduction commitment applies specifically to the South Coast. We anticipate that the San Joaquin Valley will also need to include a long-term measure in its upcoming Ozone SIP to meet the federal one-hour ozone standard by 2010. The process and concepts discussed in the Statewide Strategy will also provide the basis for a long-term State commitment for further emission reductions in the Valley. Statewide measures adopted to fulfill this commitment can be credited in future SIPs for other areas as well.

Replacement of SIP Measure M-17

Measure ON-RD HVY-DUTY-3 in the Final Statewide Strategy replaces the Board's prior commitment for mobile source measure M-17, Additional Emission Reductions From Heavy-Duty Vehicles, submitted to the U.S. EPA on April 15, 1998, but never approved by U.S. EPA as a SIP revision. Therefore, ARB is formally withdrawing the measure M-17 SIP submittal from U.S. EPA consideration.

Federal Responsibility for Emission Reductions

The Statewide Strategy calls on U.S. EPA and other federal agencies to achieve further reductions from federal sources as part of the long-term strategy. Like State and local agencies, the federal government has a responsibility to further reduce emissions. Emission sources under the exclusive legal or practical control of the federal government account for over one-quarter of NO_x emissions in California, as well as almost two-thirds of diesel particulate matter. The Clean Air Act specifically directs U.S. EPA to continue reducing mobile source emissions that cause or contribute to air pollution that endangers public health. The ozone and particulate levels in the South Coast and the San Joaquin Valley clearly meet this test.

Following State adoption and federal approval of the 1994 SIP, the technical partnership between U.S. EPA and ARB on more stringent emission standards produced significant air quality benefits for California and the nation. Opportunities exist for technically feasible, cost-effective new reductions from federal sources, including tighter emissions standards for off-road diesel equipment, marine vessels, locomotives, and aircraft, as well as nationwide low sulfur diesel fuel requirements for all of these applications. We want to work with U.S. EPA to achieve the additional reductions needed from national and international sources. As California is doing, U.S. EPA needs to address not only new engines but also existing fleets in order to meet federal air quality standards.

SIP Submittal Materials

This submittal consists of five copies of the following materials.

1. The Final 2003 State and Federal Strategy for the California State Implementation Plan, which is comprised of two elements (also available on ARB's website at <http://www.arb.ca.gov/planning/sip/sip.htm>):
 - a. The Revised Proposed 2003 State and Federal Strategy for the California State Implementation Plan (Released August 25, 2003); and

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- b. ARB Board Resolution 03-22 adopting the Statewide Strategy as a revision to the SIP. This Resolution includes changes made to the Strategy at the October 23, 2003 hearing, as well as responses to environmental issues raised on the Strategy.
2. Public notice evidence and transcript for the ARB Public Meeting to Consider a New State Strategy for the California State Implementation Plan.
3. Public comments.
4. SIP Completeness Checklist.

ARB is committed to work with U.S. EPA to secure approval of the 2003 State and Federal Strategy for the California SIP. If you have any questions, please call Ms. Lynn Terry, Deputy Executive Officer, at (916) 322-2739, or have your staff contact Ms. Cynthia Marvin, Chief, Air Quality and Transportation Planning Branch, at (916) 322-7236.

Sincerely,

Catherine Witherspoon
Executive Officer

Enclosures

cc: See next page.

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cc: (Without Enclosures)

Honorable Alan C. Lloyd, Ph.D.
Chairman
Air Resources Board

Mr. Patrick Dorais, Chief
Bureau of Automotive Repair
10240 Systems Parkway
Sacramento, California 95827

Mr. Larry Greene, President
California Air Pollution Control
Officers Association
Yolo-Solano Air Quality
Management District
1947 Galileo Court, Suite 103
Davis, California 95616

Mr. Paul Helliker, Director
Department of Pesticide Regulation

Dr. Deborah Jordan
Director
Air Division, Region IX
U.S. Environmental Protection Agency
75 Hawthorne Street
San Francisco, California 94105

Dr. Barry Wallerstein
Executive Officer
South Coast Air Quality
Management District
21865 East Copley Drive
Diamond Bar, California 91765

Ms. Lynn Terry
Deputy Executive Officer
Air Resources Board

Ms. Cynthia Marvin
Air Resources Board

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bcc: (electronically, with Enclosure 1.b., Attachments A-1 – A-7 only)

Executive Staff
Bob Jenne, Legal
George Poppic, Legal
Renee Kemena, MSCD
Dave Mallory, SSD
Cindy Castronovo, MLD
Edie Chang, MSCD
AQTPB Managers and Liaisons, PTSD
Kim Heroy-Rogalski, PTSD
Doug Ito, PTSD
Andrew Panson, PTSD

Paper Copies
PTSD Chron (Enclosure 1.b. only)
AQTPB Chron (Enclosure 1.b. only)
SIP Library (With All Enclosures)

Assignment #10111/4274
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Submittal to US EPA.doc

external bcc: (email without bcc: page, no enclosures)

Steven Barhite – U.S. EPA Region 9
CAPCOA Planning Managers
Statewide Conformity Working Group
Nancy Kruger, STAPPA/ALAPCO
Stew Wilson, CAPCOA