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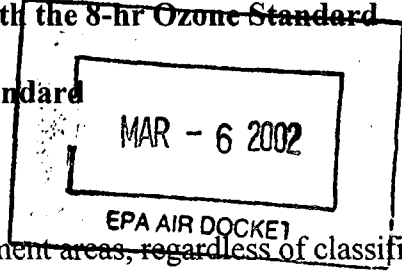
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March 1, 2001

**Transportation Planning Issues Associated with the 8-hr Ozone Standard**

**I. Conformity and Revocation of the 1-hour Ozone Standard**



Background:

- Transportation conformity is required in nonattainment areas, regardless of classification. Transportation conformity also applies to areas that were nonattainment and are subsequently designated attainment subject to a maintenance plan. These areas are called maintenance areas.
- Some areas that will be designated as nonattainment under the 8-hour ozone standard are currently nonattainment or maintenance areas under the 1-hour ozone standard.
- Some areas that will be designated as nonattainment under the 8-hour ozone standard will be "brand new," that is, they have never been designated under the 1-hour ozone standard.
- Areas designated nonattainment for the first time *for a new standard* (e.g., the 8-hour ozone standard) have a one-year grace period before conformity applies for *that* standard (i.e., a one-year grace period before conformity applies for the 8-hour ozone standard -- conformity for the 1-hour ozone standard would not be affected). This one-year grace period before conformity is required for the 8-hour standard applies regardless of whether an area is currently designated under the 1-hour standard.
- EPA recognizes that stakeholders have questions about how conformity will be implemented for the 8-hour standard (e.g., what tests will apply). We agree these questions are important, and EPA and DOT will need to discuss them further. EPA, together with DOT, plans to hold discussions with conformity stakeholders about conformity in 8-hour areas in the future.
- Today, we are asking for your thoughts about conformity when the 1-hour ozone standard is revoked. These issues only apply to areas that are currently designated nonattainment or maintenance for the 1-hour standard. (Areas that have never been designated nonattainment for the 1-hour standard but will be nonattainment for the 8-hour standard are not affected by these questions.)

Implications of the Revocation of the 1-hour Standard on Conformity:

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EPA has identified three options for the timing of revocation of the 1-hr standard. (See February 26, 2002, issue paper entitled, "Transition from the 1-hr O<sub>3</sub> NAAQS to the 8-hr O<sub>3</sub> NAAQS" for more information.)

**Option 1:** At time of 8-hour ozone nonattainment designation

**Option 2:** At time of EPA approval of 8-hour ozone SIPs (for 8-hour ozone nonattainment areas)

**Option 3:** At time EPA determines area meets 1-hour ozone NAAQS (after 8-hr ozone designation)

Questions for consideration:

- When the 1-hour standard is revoked and the designations for areas that are nonattainment or maintenance under the 1-hour standard terminate, would conformity no longer apply in these areas for the 1-hour standard? Or would conformity still apply to the former 1-hour ozone nonattainment areas? Or apply only to the former 1-hour ozone maintenance areas? What would be the impact on transportation planning and conformity processes?
- Under revocation Options 2 and 3, there would be designations for two standards in place at the same time for an extended period. Therefore, some areas would be designated for both the 1-hour and the 8-hour standard at the same time. What would be the impact on transportation planning and conformity processes?

## II. CMAQ Implications of Classification Options

Issue: How areas are classified under the 8-hour standard may change the level of federal funding for air quality beneficial transportation projects in nonattainment areas.

Background:

- The nonattainment area provisions are found in the Clean Air Act, Title I, Part D. Subpart 1 contains general requirements for State Implementation Plans for all nonattainment areas; Subpart 2 provides more specific requirements and classifications for ozone nonattainment areas.
- TEA-21 establishes eligibility for the Congestion Mitigation and Air Quality Improvement (CMAQ) Program transportation funds for nonattainment and maintenance areas designated before December 31, 1997 provided the area is, or was, classified in accordance with CAA Sections 181, 186, and 188. Areas designated nonattainment after December 31, 1997 are eligible, without regard to classification.

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- The amount of CMAQ funds available to States for use in nonattainment and maintenance areas is set at levels authorized by TEA-21, (transportation authorizing legislation). The funds are apportioned to States through the statutory formula, based primarily, on the ozone nonattainment area classifications contained in CAA Sections 181, 186, and 188. The formula does not account for nonattainment areas designated after December 31, 1997.
- TEA-21 reauthorization work is currently being conducted by DOT, and hearings have begun in Congress. An Administration proposal is expected to be submitted to Congress in early 2002. New legislation is expected by fall 2003.

Potential Impacts:

- A change in the classification of nonattainment areas, or the number of areas, resulting from implementation of the 8-hour NAAQS may change the amount of CMAQ funds apportioned to the States and available to nonattainment areas.
- Given the current statutory language in TEA-21, areas in which the 1-hour standard is revoked without a maintenance plan would become ineligible for CMAQ funds. Nonattainment areas designated under the 8-hour standard would be eligible, but the funds apportioned to the States would not account for the new areas and be available to help reduce transportation emissions.
- Generally, revocation of the 1-hour standard without a 1-hour standard maintenance plan, or designation as an 8-hour nonattainment or maintenance area, will result in a reduction of CMAQ funds for the area until corrections can be made to the transportation legislation.