

US EPA ARCHIVE DOCUMENT

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September 30, 1999

Gregg Cooke, Regional Administrator
Region 6
United States Environmental Protection Agency
1445 Ross Ave., Suite 1200
Dallas, TX 75202-2733

Dear Gregg:

As you know, a diverse group of stakeholders have been working together for several months to develop innovative solutions to close the ozone attainment gap for the 8 county region centered in Houston. These leaders have been seeking flexible, cost effective and politically workable innovations that go beyond what can be achieved by traditional control measures to ensure our area meets attainment goals while maintaining the region's economic health and holistically addressing other pollutants that cause additional health risk, such as particulates and HAPs. Among the participants are the City of Houston, Harris County, the Houston/Galveston Area Council, various environmental and citizen organizations including GHASP, the Sierra Club and the Citizens' Environmental Coalition, the Business Coalition for Clean Air and the Greater Houston Partnership.

In discussions over the past few weeks, there has been general consensus that a unique agreement, such as a Project XL Final Project Agreement (FPA), is needed by next April to guide the rule-making process that will occur in conjunction with the Year 2000 SIP process, and enhance holistic air management and economic competitiveness in the Houston area. That agreement, which should represent consensus and commitment among the groups representing Houston area stakeholders and the TNRCC and USEPA, is proposed to address, among other issues, the following:

- Innovative efficient control measures and strategies that can ensure the greatest progress toward ozone attainment and close the gap that now exists between what current control measures can achieve and attainment;
- The enhanced priority of innovative control measures or strategies that create superior performance through addressing health-threatening emissions not covered in the SIP, such as particulates and hazardous air pollutants;
- Innovations that can achieve greater or quicker reductions in ozone-producing pollutants while helping avoid the kind of economic dislocations that raise widespread opposition to attainment control measures;

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- Incentives for innovative control measures or strategies that encourage efficient emissions reductions for which there may be no regulatory authority or control. Such control measures or strategies should occur concurrently with or earlier than less efficient or smaller reductions; and,
- Incentives for control measures or strategies that help determine how to achieve emissions reductions in previously uncontrolled or hard-to-control areas such as off-road mobile sources.

Specifically, we have developed the goals for development of an XL project. They are attached in draft form.

Our current schedule calls for the completion of a formal XL proposal during the month of October and completion of a Final Project Agreement by early May of next year.

While our XL project has undergone many discussions over the past several months, we have made significant progress in the past two weeks in advancing the effort and reaching a consensus that will allow the proposal effort to move forward. We have identified a preliminary stakeholder process to coordinate development of the XL proposal and, most likely, the FPA.

The "Final Project Agreement" (FPA) of this Project will be developed by an independent stakeholder group as recommended by EPA's Project XL guidelines working closely with existing organizations developing elements of the SIP. This stakeholder group specifically includes, as required by Project XL, a diverse group of stakeholders including: 1) the City of Houston; 2) the Houston/Galveston Area Council (local governments across the 8-county region); 3) local environmental organizations through the Citizens' Environmental Coalition and the Sierra Club as well as others; 4) the Greater Houston Partnership through its Business Coalition for Clean Air; 5) Harris County; 6) TNRCC; and, 7) the USEPA. It is likely the stakeholder group (Group) will expand geographically and categorically as the process proceeds, and the target will be 1/3 of the Group from government, 1/3 of the Group from the business community and 1/3 of the group from environmental and/or citizen organizations. All meetings will be open and broad public comment will be encouraged throughout the process. Each 1/3 segment will have veto power over elements of the FPA, as long as its participants reach a consensus position on a veto within the segment.

Uniquely among XL projects to date, the stakeholder group also will be the sponsor of the Project.

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All meetings of the stakeholder group will be open to the public and broad public comment will be encouraged, and facilitated through a Project Website. Meetings will be held at the Houston/Galveston Area Council (HGAC) and staffing will be provided in conjunction with HGAC.

Because of the highly creative nature of the innovations likely to arise from the FPA discussions, it is not possible at this time to define the ongoing management structure for FPA implementation. The stakeholder group, however, recognizes the importance of developing a well-defined structure for project management decision-making. The on-going implementation may be fully accomplished by existing organizations or a new structure, but any new structure, to the greatest extent possible, will utilize existing Houston area NGO, private and governmental organizations, including public/private partnerships.

As you may know, there has been some confusion over recent months about the relationship of the XL Project to the ongoing work of the SIP, which has been coordinated by the Regional Air Quality Public Advisory Committee (RAQPAC) of HGAC. As you see from the attached goals, this XL Project does not attempt to duplicate the ongoing efforts of RAQPAC. Rather, it seeks to fill gaps and help provide substance to as yet undefined but modeled reductions that specifically require the type of regulatory or process flexibilities that XL most effectively provides. It is intended that there will be a very close working relationship between RAQPAC and the XL stakeholder group to assure the synergy that will ultimately bring Houston into attainment.

Additionally, the XL stakeholder group will craft the superior performance package required by the XL program. This includes defining methods and incentives for raising the priority of traditional and innovative control measures that also provide benefits of reduced particulate emissions and/or reduced emissions of air toxics.

We appreciate EPA's assistance in all this, both at the Regional and Headquarters levels. In that regard, we would appreciate any feedback you might have on the attached document, since it will form the foundation for the XL project.

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We feel this will be an exciting and highly valuable project that will help us reach attainment and make significant strides in a holistic air management system for Houston. We look forward to working with you.

Thank you for your help and consideration.

Sincerely,

Mayor Lee Brown for the City of Houston

Judge Eckels for Harris County

Board President for HGAC

David Crossley for CEC

George Smith for Sierra Club

Jane Elioseff for GHASP

Chairman of the Greater Houston Partnership

The Business Coalition for Clean Air Chairman

cc: TNRCC, EPA Office of Reinvention

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