

**MEMORANDUM OF UNDERSTANDING
AMONG THE STATES OF THE OZONE TRANSPORT COMMISSION
ON DEVELOPMENT OF A REGIONAL STRATEGY CONCERNING THE CONTROL OF
STATIONARY SOURCE NITROGEN OXIDE EMISSIONS**

WHEREAS the Northeastern and Mid-Atlantic States are faced with a pervasive ozone nonattainment problem; and

WHEREAS based on the National Academy of Sciences 1991 study on ground level ozone and other information, a combination of volatile organic compound (VOC) and nitrogen oxides (NO_x) emission reductions will be necessary to bring the entire Ozone Transport Region (OTR) into attainment by statutory attainment dates; and

WHEREAS modeling results and other studies confirm that NO_x emission reductions are effective in reducing the areawide extent of ozone levels and help to reduce the phenomenon of ozone transport; and

WHEREAS the States must submit to EPA as State Implementation Plan (SIP) revisions an attainment demonstration by November 15, 1994; and

WHEREAS this attainment demonstration should include specific strategies to the greatest possible degree; and

WHEREAS the individual States of the Ozone Transport Commission have recommended, adopted and approved many control measures to date, including Reasonably Available Control Technology (RACT) for major stationary sources of NO_x; and

WHEREAS as modeling to support additional measures as a part of State attainment plans has been progressing, and should provide additional background information by the end of summer, 1994; and

WHEREAS the approval and implementation of the OTC LEV recommendation made to EPA by the OTC will result in substantial additional emission reductions from the mobile source sector; and

WHEREAS modeling and other analysis to date indicate that the emission reductions from the OTC LEV program will not be sufficient to provide for attainment throughout the OTR; and

WHEREAS the OTC has previously, by the Memorandum of Understanding signed March 10, 1992, by all of the members, committed to substantial additional stationary source NO_x reductions by 1999 as needed to attain and maintain the ambient standard; and

WHEREAS further delay in selecting a regional stationary source NO_x control strategy will adversely impact the OTC member States' ability to include the results of such strategy in the attainment demonstrations required in the November 1994 SIPs; and

WHEREAS a number of commentors at various OTC forums have suggested that the regional NOx strategy should include a robust trading program to provide maximum efficiency and cost effectiveness; and

WHEREAS there is a need to provide for public input and consideration of other information such as the aforementioned additional modeling and analysis;

THEREFORE, the undersigned member State(s) hereby agree to proceed with the modeling and analysis necessary to support a decision by the Ozone Transport Commission on a regional NOx control strategy in a timeframe consistent with the member States obligations to submit State Implementation Plans by November 15, 1994. The regional strategy will be designed to cover stationary NOx sources and to reflect such appropriate geographic distinctions with respect to the level of control, the timing of control and the size of sources subject to control as are supported by EPA approved modeling and analysis conducted by September 10, 1994; and

FURTHERMORE, that such strategy include trading as one of the compliance options, that to the extent possible the emission limit(s) apply only during the ozone season, and that the compliance and coverage schedule reflect the need for serious area attainment by 1999.

Signed this 7th day of June, 1994 by the following:

CONNECTICUT:

Timothy R. Kenny

DELAWARE:

Philip H. Calan

DISTRICT OF COLUMBIA:

Ferrel Bishop

MAINE:

Abraham Lichal

MARYLAND:

MASSACHUSETTS:

NEW HAMPSHIRE:

Robert W. [Signature]

NEW JERSEY:

NEW YORK:

Harold West

PENNSYLVANIA:

Arthur G. [Signature]

RHODE ISLAND:

VERMONT:

Jack [Signature]

VIRGINIA: