2004

Area Designations and Maps

STAFF REPORT:
Initial Statement of Reasons for Proposed Rulemaking

Release Date: December 3, 2004

California Environmental Protection Agency
Air Resources Board
Planning and Technical Support Division
P. O. Box 2815
Sacramento, California 95812

This document has been reviewed and approved by the staff of the California Environmental Protection Agency, Air Resources Board. Approval does not signify that the contents necessarily reflect the views and policies of the California Air Resources Board.

If you have special language needs, please contact Marcella Nystrom, document coordinator, at (916) 323-8543 or mnystrom@arb.ca.gov.
TTY/TDD/Speech-to-Speech users may dial 7-1-1 for the California Relay Service.
ACKNOWLEDGMENTS

This document was prepared by the staff of the Air Quality Data Branch, Planning and Technical Support Division

Principal Authors

Marcella Nystrom
Theresa Najita

Contributing Staff

Office of Legal Affairs
George Poppic

Air Quality Data Branch
Pheng Lee

Reviewed and Approved by:

Gayle M. Sweigert, Manager, Air Quality Analysis Section
Karen Magliano, Manager, Particulate Matter Analysis Section
Robert Effa, Chief, Air Quality Data Branch
EXECUTIVE SUMMARY

The Air Resources Board (ARB or Board) has established health-based State ambient air quality standards (State standards) to identify outdoor pollutant levels considered safe for the public—including those individuals most sensitive to the effects of air pollution, such as children and the elderly. After State standards are established, State law requires ARB to designate each area as attainment, nonattainment, or unclassified for each State standard. The area designations, which are based on the most recent available data, indicate the healthfulness of the air quality throughout the State.

As required by State law, ARB established designation criteria to ensure that the area designations for State standards are made in a consistent manner (refer to Attachment A for the full text of the designation criteria). Based on these criteria and as required by State law, the Board originally adopted the area designation regulations in 1989. Under State law, the Board must review the area designations each year and make changes as necessary based on the most recent data. Currently, the Board makes area designations for the ten pollutants with State standards listed in Health and Safety Code (H&SC) section 70200: ozone, suspended particulate matter (PM10), fine suspended particulate matter (PM2.5), carbon monoxide, nitrogen dioxide, sulfur dioxide, lead, sulfates, hydrogen sulfide, and visibility reducing particles.

Proposed Changes to the Area Designation Regulations

Based on the 2001 through 2003 air quality data, ARB staff is proposing changes to the current area designation regulations for carbon monoxide, PM10, PM2.5, and ozone for several areas of California. The proposed changes are summarized in Table ES-1.

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Area / Air Basin</th>
<th>Current Designation*</th>
<th>Proposed Designation*</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO</td>
<td>Los Angeles County (South Coast Air Basin)</td>
<td>NA-T</td>
<td>A</td>
</tr>
<tr>
<td>PM10</td>
<td>Siskiyou County (Northeast Plateau Air Basin)</td>
<td>N</td>
<td>A</td>
</tr>
<tr>
<td>PM2.5</td>
<td>Lake Tahoe Air Basin</td>
<td>U</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td>North Central Coast Air Basin</td>
<td>U</td>
<td>A</td>
</tr>
<tr>
<td>Ozone</td>
<td>North Central Coast Air Basin</td>
<td>N</td>
<td>NA-T**</td>
</tr>
</tbody>
</table>

* Designation Categories:
  A = Attainment; N = Nonattainment; NA-T = Nonattainment-Transitional; U = Unclassified.

** The ozone Nonattainment-Transitional designation occurs by operation of law under
H&SC section 40925.5.

Under State law, the area designation changes for carbon monoxide, PM10, and PM2.5 require formal action by the Board. In contrast, the ozone nonattainment-transitional designation for the North Central Coast Air Basin occurs by operation of law under the provisions of H&SC section 40925.5, and the ARB staff is proposing the Board confirm this change in the area designation regulations. The full text of these proposed regulatory changes can be found in Attachment B to this staff report.

**Other Information in this Staff Report**

As required by State law, this staff report also includes maps and tables identifying areas with at least one violation of a State standard or national ambient air quality standard (national standard). The maps and tables provided in Attachment C to this staff report fulfill the statutory requirement in H&SC section 40718 and reflect the proposed area designations for State standards that are summarized above. The maps and tables also reflect the area designations for national standards in effect at the time this staff report was published.
# TABLE OF CONTENTS

## CHAPTER I
**BACKGROUND**

A. **Introduction** .................................................................................................................. 1
B. **State and National Ambient Air Quality Standards** .................................................. 1
C. **Legal Requirements** .................................................................................................... 2
D. **Implications of the State Area Designations** .............................................................. 3
   1. Areas Designated as Nonattainment ................................................................ 3
   2. Areas Designated as Nonattainment-Transitional ............................................. 4
   3. Areas Designated as Attainment or Unclassified .............................................. 5
E. **Public Process** ............................................................................................................ 5

## CHAPTER II
**AREA DESIGNATION CRITERIA**

A. **Introduction** .............................................................................................................. 7
B. **General Provisions of the Designation Criteria** ....................................................... 7
C. **Designation Categories** ............................................................................................. 7
D. **Data Requirements** .................................................................................................... 9
E. **Size of Designated Area** .......................................................................................... 9
F. **Highly Irregular or Infrequent Events** ..................................................................... 9

## CHAPTER III
**PROPOSED AMENDMENTS TO THE AREA DESIGNATIONS**

A. **Introduction** ............................................................................................................... 11
B. **Designation Process** ................................................................................................ 12
C. **Designation Value** .................................................................................................... 12
D. **Carbon Monoxide** .................................................................................................... 13
   1. Los Angeles County (South Coast Air Basin Portion) ..................................... 13
E. **Suspended Particulate Matter (PM10)** .................................................................. 14
   1. Siskiyou County (Northeast Plateau Air Basin) ............................................. 14
F. **Fine Suspended Particulate Matter (PM2.5)** ......................................................... 16
   1. Lake Tahoe Air Basin ......................................................................................... 16
   2. North Central Coast Air Basin ........................................................................... 16
G. **Ozone** ........................................................................................................................ 18
   1. North Central Coast Air Basin ........................................................................... 18
H. **Areas Not Recommended for Redesignation** ......................................................... 19
   1. Glenn County for Ozone ................................................................................... 19
   2. Lake County Air Basin for Visibility Reducing Particles ............................... 20
TABLE OF CONTENTS
(continued)

CHAPTER IV
ALTERNATIVES TO THE PROPOSED AMENDMENTS ........................................21

CHAPTER V
IMPACTS OF THE PROPOSED AMENDMENTS

A. Economic Impacts ........................................................................................................23
   1. Legal Requirement ....................................................................................................23
   2. Potential Impact on Businesses, Business Competitiveness, Employment, and Business Creation, Elimination, or Expansion........23
   3. Potential Cost to Local and State Agencies ............................................................24

CHAPTER VI
ENVIRONMENTAL IMPACTS AND ENVIRONMENTAL JUSTICE

A. Introduction ....................................................................................................................25
B. Air Quality and Environmental Benefits ......................................................................25
C. Environmental Justice ..................................................................................................25

ATTACHMENTS

A. Area Designation Criteria ............................................................................................A-1
B. Proposed Amendments to the Area Designations ......................................................B-1
C. Maps and Tables of Area Designations for
   State and National Ambient Air Quality Standards ....................................................C-1
D. Convention for Rounding Ambient Air Quality Data .................................................D-1
CHAPTER I
BACKGROUND

A. INTRODUCTION

This chapter provides background information on the differences between the State and national ambient air quality standards, the legal requirements for the State designation criteria and area designations, the implications of being designated for the various pollutants, and the public process used in developing the proposed amendments to the area designation regulations. The proposed changes to the area designations are described in Chapter III.

B. STATE AND NATIONAL AMBIENT AIR QUALITY STANDARDS

To protect public health, the Air Resources Board (ARB or Board) has adopted health-based ambient (outdoor) air quality standards. These standards define the maximum amount of an air pollutant that can be present in ambient air. Ambient air quality standards are established to protect even sensitive individuals in our communities. California law requires the ARB to set State ambient air quality standards (State standards) in consideration of public health, safety, and welfare. The Board has adopted State standards for ten pollutants: ozone, suspended particulate matter (PM10), fine suspended particulate matter (PM2.5), carbon monoxide (CO), nitrogen dioxide, sulfur dioxide, sulfates, lead, hydrogen sulfide, and visibility reducing particles.

In addition to the State standards, the Federal Clean Air Act requires the United States Environmental Protection Agency (U.S. EPA) to set national ambient air quality standards (national standards) for the nation. It also permits states to adopt additional or more health-protective standards. California’s State standards for most pollutants are more protective of public health than national standards. In addition, California has established State standards for other pollutants that are not covered by national standards (for example, sulfates, hydrogen sulfide, and visibility reducing particles).

An ambient air quality standard is generally specified as a concentration averaged over a specific time period, such as one hour, eight hours, 24 hours, or one year. The different averaging times and concentrations are meant to protect against different exposure effects. Some ambient air quality standards are expressed as a concentration that is not to be exceeded. Others are expressed as a concentration that is not to be equaled or exceeded.

The national standards are further categorized as primary standards and secondary standards. The national primary standards are meant to protect public health. The national secondary standards are meant to protect the public welfare from any known
or anticipated adverse effects of the pollutant. The national standard area designation maps and tables in Attachment C to this staff report reflect the national primary standards. Attachment C also contains a table that lists the applicable pollutant levels, averaging times, and analytical measurement methods for both the State standards and the national standards.

The U.S. EPA promulgated new national ozone and PM2.5 standards in July 1997. In April 2004, the U.S. EPA made area designations for the new national 8-hour ozone standard. Therefore, maps and tables for the 8-hour standard are included in Attachment C. In contrast, although the U.S. EPA has issued area designations for the national PM2.5 standards, these designations were not yet effective at the time this staff report was published and therefore, are not included in Attachment C. However, three areas of California are proposed as nonattainment for the national PM2.5 standard. These areas are South Coast Air Basin, San Joaquin Valley Air Basin, and San Diego Air Basin. U.S. EPA expects to make the final area designations on December 17, 2004, and these area designations would then become effective in February 2005. Interested persons can contact U.S. EPA for the current status of the national PM2.5 area designations, or visit their web site at:

http://www.epa.gov/ttn/naaqs/pm/pm25_index.html

C. LEGAL REQUIREMENTS

Health and Safety Code section 39607(e) requires the Board to establish criteria for designating areas as attainment or nonattainment for the State standards and to periodically review these criteria to ensure their continued relevance. The Board originally adopted the required designation criteria in June 1989. The Board subsequently amended the designation criteria in June 1990, May 1992, December 1992, November 1993, November 1995, September 1998, and most recently, in January 2004. The criteria describe the procedures that the Board must use in determining area designations for State standards and are summarized in Chapter II. The staff is not proposing any changes to the designation criteria at this time.

H&SC section 39608 requires the Board to use the designation criteria in designating areas of California as attainment, nonattainment, or unclassified for the State standards. H&SC section 39608 also requires the Board to conduct an annual review of the area designations and update them as new information becomes available. As warranted, the Board makes changes to the existing area designations, as well as making area designations for any new or revised State standards.

The area designations are made on a pollutant-by-pollutant basis, for all pollutants listed in the California Code of Regulations (CCR), title 17, section 70200. These pollutants are: ozone, suspended particulate matter (PM10), fine suspended particulate matter (PM2.5), carbon monoxide, nitrogen dioxide, sulfur dioxide, sulfates, lead, hydrogen sulfide, and visibility reducing particles.
In addition to the designation criteria and area designation requirements, H&SC section 40718 requires the Board to publish maps showing the areas with one or more measured violations of any State standard or national standard. The maps and summary tables provided in Attachment C of this staff report fulfill this requirement. The maps and tables for the State standards reflect the changes to the area designations as described in Chapter III of this staff report. The maps and tables for the national standards reflect the federal area designations, as promulgated by the U.S. EPA and in effect at the time this staff report was published. For additional information about the area designations for national standards, visit the U.S. EPA website at:

http://www.epa.gov/airprogm/oar/oaqps/greenbk

D. IMPLICATIONS OF THE STATE AREA DESIGNATIONS

The State designation criteria specify four designation categories: nonattainment, nonattainment-transitional, attainment, and unclassified. A nonattainment designation indicates a violation of the State standard. A nonattainment-transitional designation indicates improving air quality, with occasional violations or exceedances of the State standard. In contrast, an attainment designation indicates no violation of the State standard. Finally, an unclassified designation indicates either no or an incomplete set of air quality data. Although the area designations themselves are simply labels indicating the healthfulness of air quality and do not contain any requirements for action, there may be other legal requirements, based on an area’s designation status, as described below.

1. Areas Designated as Nonattainment

An air pollution control district or air quality management district (district) that includes an area designated as nonattainment for a particular pollutant, experiences several consequences under the law. First, State law requires nonattainment districts to develop plans for attaining the State standards for ozone, carbon monoxide, nitrogen dioxide, and sulfur dioxide. The nonattainment districts must submit these attainment plans to the Board for approval (H&SC section 40911). Ozone nonattainment districts that are impacted by transport from upwind areas (in other words, ozone violations are caused by emissions transported from upwind areas located outside the district) are required to develop ozone attainment plans to mitigate those violations that occur in the absence of transport (in other words, ozone violations that are caused by locally generated emissions; H&SC sections 39610(b) and 40912). Violations caused by a combination of transported and locally generated emissions must be mitigated by both the upwind and downwind areas. Ozone violations caused by overwhelming transport must be mitigated by the responsible upwind district(s).
In addition to these requirements for nonattainment districts, recent legislation added specific requirements for PM10 and PM2.5 nonattainment areas. On October 8, 2003, Senate Bill 656 (Sher) was signed by the Governor. This new law requires the ARB to develop and adopt (by January 1, 2005) a list of the most readily available, feasible, and cost-effective control measures to reduce PM10, PM2.5, and their precursor emissions to make progress toward attaining the State and national PM2.5 and PM10 standards. The list of measures was developed in consultation with the districts, and approved by the ARB at the November 2004, Board meeting. The control measures on the list were based on rules, regulations, and programs in effect in California as of January 1, 2004. Emission source categories on the list include the following: 1) wood-burning fireplaces and heaters, 2) non-agricultural open burning, 3) fugitive dust, 4) stationary combustion sources, 5) composting and related operations, 6) storage, transfer, and dispensing operations, 7) leaks and releases, 8) product manufacturing, 9) coatings, 10) solvent cleaning and degreasing, 11) miscellaneous activities, 12) general rules to reduce directly emitted PM, and 13) programs to reduce PM emissions from mobile sources (transportation-related programs and incentive programs). By July 31, 2005, the districts must adopt implementation schedules for the most cost-effective subset of measures appropriate to the nature and severity of the PM problem in each area.

Finally, a district with an area designated as nonattainment for any of the remaining pollutants is not subject to any specific statutory planning requirements. However, such districts must adopt and enforce rules and regulations to expeditiously attain the State standards for these pollutants (H&SC sections 40001 and 40913). Furthermore, a nonattainment district has the option of developing and implementing an attainment plan or adopting regulations to control the emissions that contribute to these pollutants (H&SC section 40926).

The second consequence of a nonattainment designation is that the Board collects fees from large, nonvehicular sources located in the nonattainment area (H&SC section 39612; CCR, title 17, sections 90800.5 through 90804 and recently Board-approved sections 90805 through 90806). Only those sources authorized by district permit to emit 250 tons per year or more of any nonattainment pollutant or its precursors are subject to these permit fees. The fees are used to help defray the costs of State programs related to nonvehicular sources.

With certain exceptions, nonattainment districts are authorized to levy a fee of up to $6.00 on motor vehicles registered in the district for the implementation of the California Clean Air Act and incentive programs to reduce emissions (H&SC sections 44223 and 44225).

2. Areas Designated as Nonattainment-Transitional

Nonattainment-transitional is a subcategory of the nonattainment designation. Therefore, a district with a nonattainment area that is redesignated as nonattainment-transitional is still subject to the same requirements as a nonattainment
district, which were described in the preceding section. However, in contrast to the nonattainment designation, a nonattainment-transitional designation may signal a change in how these requirements are implemented. For example, a district that currently is implementing an approved attainment plan may determine that some of the additional control measures contained in the attainment plan are not needed to reach attainment by the earliest practicable date. As a result, the nonattainment-transitional designation provides the district with a signal that it may be appropriate to review, and perhaps modify, its approved attainment plan. However, district actions in response to a nonattainment-transitional designation must be consistent with State and federal regulations and statutes.

H&SC section 40925.5 specifically allows a district with an area designated as nonattainment-transitional for ozone to shift some stationary source control measures from the rulemaking calendar to the contingency category if the district finds these control measures are no longer necessary to accomplish expeditious attainment of the State ozone standard. These actions do not apply to control measures required to mitigate the effects of pollutant transport. The Board may disapprove any action of the district within 90 days if the Board finds that the action will delay expeditious attainment of the State ozone standard.

3. Areas Designated as Attainment or Unclassified

State law does not impose any specific planning requirements upon districts with areas designated as attainment or unclassified. However, State law does require that the State standards not only be attained but also, maintained. State law requires the districts and the Board to make a coordinated effort to protect and enhance the ambient air quality (H&SC sections 39001 through 39003). As part of this effort, the districts must adopt rules and regulations sufficiently effective to achieve and maintain the State standards (H&SC sections 40001 and 41500).

E. PUBLIC PROCESS

The H&SC requires the Board to adopt criteria for designating areas with respect to the State standards. Furthermore, both the H&SC (section 39608) and the designation criteria (CCR, title 17, section 70306) require the Board to review the area designations annually and to redesignate areas as new information becomes available. In order to facilitate public comment during the designation review process, we requested public input in a number of ways.

After our initial review of the 2001 through 2003 air quality data, we noted potential changes to the existing area designations for carbon monoxide, PM10, and PM2.5, as well as a change for ozone that occurred by operation of law under the provisions of H&SC section 40925.5. After these preliminary reviews, we contacted the affected districts to discuss the results of the review. These discussions included the basis for
the designation change, additional information relevant to the designation change, and an opportunity for district input. Furthermore, we encouraged districts to submit any other information they would like considered. We also established a web-based subscriber notification process or listserv. For those who subscribe, the listserv provides automatic electronic updates related to area designation issues.

On September 29, 2004, we announced a public workshop scheduled for October 21, 2004. We notified subscribers to our listserv about the workshop, as well as subscribers to the Environmental Justice listserv. The workshop announcement included a discussion of the staff’s proposed amendments to the area designations. The proposed changes to the area designations are based on the most recent three complete calendar years of air quality data: 2001 through 2003.

The proposed amendments described in this staff report incorporate comments received from the public. The Board is scheduled to consider these amendments at a public hearing in January 2005.
CHAPTER II
AREA DESIGNATION CRITERIA

A. INTRODUCTION

This chapter provides a summary of the existing designation criteria. The following sections describe the general provisions of the designation criteria, the area designation categories, the data requirements, the size of the designated areas, and the requirements for identifying highly irregular or infrequent events. The full text of the designation criteria is included as Attachment A to this staff report.

B. GENERAL PROVISIONS OF THE DESIGNATION CRITERIA

The designation criteria describe the procedures the Board must use in determining an area’s designation status with respect to the State standards. In summary, the designation criteria specify:

- The requirements for each area designation category;
- The data the Board will use for making the area designations;
- How the Board will determine the size of a designated area; and
- The requirement for an annual review of the area designations by the Board's Executive Officer.

C. DESIGNATION CATEGORIES

In determining which designation category is appropriate for an area, it is essential to understand the difference between an exceedance and a violation. An exceedance is any concentration that is higher than the level of the State standard. In contrast, violations are a subset of the exceedances. A violation is any exceedance (concentration above the level of the State standard) that is not affected by a highly irregular or infrequent event, and therefore, cannot be excluded from the area designation process (refer to discussion in Section F, below).

The designation criteria specify four designation categories: nonattainment, nonattainment-transitional, attainment, and unclassified. The Board will designate an area as nonattainment for a pollutant if air quality data show that a State standard for the pollutant was violated at least once during the previous three calendar years. As explained above, exceedances that are affected by highly irregular or infrequent events are not considered violations of a State standard and are not used as a basis for designating an area as nonattainment.
The *nonattainment-transitional* designation is a subcategory of nonattainment. The Board will designate an area as nonattainment-transitional for a pollutant other than ozone if air quality data show that a State standard for that pollutant was violated two or fewer times at each of the sites in the area during the most recent calendar year. In addition, an evaluation of recent air quality trends and meteorological and emissions data must show that air quality in the area either has stabilized or has improved. Finally, each site in the area must be expected to reach attainment for the pollutant within three years.

The nonattainment-transitional subcategory can also apply for ozone. However, unlike the other pollutants, the ozone nonattainment-transitional requirements are specified in State law (H&SC section 40925.5), and the designation criteria set forth guidelines for evaluating whether an area satisfies the H&SC requirements. Furthermore, in contrast to the nonattainment-transitional designation for other pollutants, the ozone nonattainment-transitional designation occurs by operation of law. This means the ozone nonattainment-transitional designations occur automatically, without any formal Board action. Although the ozone nonattainment-transitional designation occurs automatically, the area designation regulations are not updated automatically. Therefore, the Board must take action to amend the regulations to reflect the ozone nonattainment-transitional designation.

H&SC section 40925.5 specifies that the ozone nonattainment-transitional designation is based on exceedances, not violations. As a result, all measurements above the level of the State ozone standard are considered and none are excluded. Specifically, a nonattainment district (or the portion of a district within an air basin) is designated as nonattainment-transitional for ozone if air quality data show three or fewer exceedances of the State standard at each site in the area during the most recent calendar year. Because the ozone nonattainment-transitional designation is based on a single year of data, it can be unstable due to year-to-year changes in meteorology. To provide more stability, the designation criteria allow for a review of data collected during the current calendar year. If data for the current year show more than three exceedances at any monitoring location in the area, thereby ensuring the area would not qualify as nonattainment-transitional during the next annual review, the area remains designated as nonattainment in the area designation regulations. This approach prevents districts from going in and out of nonattainment-transitional from one year to the next.

In contrast to nonattainment and nonattainment-transitional, the Board will designate an area as *attainment* for a pollutant if data show the State standard for that pollutant was not violated during the previous three calendar years. As described earlier, exceedances affected by highly irregular or infrequent events are not considered violations, and therefore, are not considered in designating areas as attainment. As a result, an area can have measured concentrations that are higher than the level of the State standard and still be designated as attainment. Finally, the Board will designate an area as *unclassified* for a pollutant if the available data do not support a designation of nonattainment or attainment.
D. DATA REQUIREMENTS

To the extent possible, the Board makes area designations for each pollutant based on the most recent ambient air quality data. The air quality data must be data for record, which are those air quality data that satisfy specific siting and quality assurance procedures established by the U.S. EPA and adopted by the Board. Generally, data for record are those data collected by or under the direction of the Board or the districts. Air quality data from other sources may also qualify as data for record, as long as the same requirements are met. For area designation purposes, air quality measurements and statistics are rounded to the precision of the State standard before being compared with the State standard. The rounding convention is summarized in Attachment D to this staff report.

When adequate and recent air quality data are not available, the Board may use other types of information to determine an appropriate area designation. These other types of information may include historical air quality data, emissions data, meteorological data, topographical data, and data relating to the characteristics of population or emissions.

E. SIZE OF DESIGNATED AREA

The size of the area designated for a pollutant may vary depending on the nature of the pollutant, the location of contributing emission sources, meteorology, and topographic features. Normally, an air basin is the area designated for pollutants with a regional impact: ozone, PM10, PM2.5, nitrogen dioxide, sulfates, and visibility reducing particles. A county (or the portion of a county located within an air basin) is normally the area designated for pollutants with a more localized impact: carbon monoxide, sulfur dioxide, lead, and hydrogen sulfide. In both cases, however, the Board may designate a smaller area if the Board finds that the smaller area has distinctly different air quality. This finding is based on a review of the air quality data, meteorology, topography, and the distribution of population and emissions. In designating a smaller area as nonattainment, the sources with emissions that contribute to a violation must be included within the designated area. In defining a smaller designation area, the Board uses political boundary lines whenever possible.

F. HIGHLY IRREGULAR OR INFREQUENT EVENTS

While area designations for State standards are based on ambient air quality data, the designation criteria provide for excluding certain high values. In particular, the designation criteria provide for excluding exceedances affected by highly irregular or infrequent events because it is not reasonable to mitigate these exceedances through the regulatory process. Appendix 2 to the designation criteria (refer to Attachment A of this staff report) defines three types of highly irregular or infrequent events:
- Extreme concentration events;
- Exceptional events; and
- Unusual concentration events.

An extreme concentration event is identified by a statistical procedure that calculates the concentration that is expected to be exceeded once per year, on average. This value is also referred to as the Expected Peak Day Concentration (EPDC), the peak indicator value, and the California design value. Adverse meteorology is one potential cause of an extreme concentration event. However, a specific, identifiable cause is not necessary for an exceedance to be identified as an extreme concentration.

In practice, a pollutant-specific EPDC is calculated for each monitoring site using air quality data measured at the site during the most recent three calendar years. The EPDC value is rounded to the precision of the State standard and then compared with the air quality measurements from the same site, which are also rounded to the precision of the State standard. Air quality measurements that exceed the State standard and are higher than the rounded EPDC value, are excluded from the area designation process. These exceedances are not considered violations of the State standard. However, air quality measurements that exceed the State standard and are equal to or lower than the rounded EPDC value are not excluded from the area designation process. These values are considered violations of the State standard.

In contrast to an extreme concentration event, an exceptional event is an exceedance of a State standard that is caused by a specific, identifiable event that is beyond reasonable regulatory control. An exceptional event may be caused by an act of nature (for example, a forest fire or a severe windstorm) or it may be of human origin (for example, a chemical spill or industrial accident).

Finally, an unusual concentration event is an unexpected or atypical exceedance of a State standard that cannot be identified as an extreme concentration event or an exceptional event. Unusual concentration events are identified only for areas already designated as attainment or unclassified at the time of the exceedance. In identifying such events, the Executive Officer must make specific findings based on relevant information. Generally, unusual concentration events are identified in areas with limited air quality data, and therefore, uncertainty as to what level of concentrations are expected to occur.

The unusual concentration event allows a wait-and-see approach in making nonattainment designations. However, there is a time limit. An area may retain its attainment or unclassified designation based on the exclusion of one or more exceedances affected by an unusual concentration event for up to three consecutive years. If an exceedance occurs during the fourth year, the area is redesignated as nonattainment, unless the exceedance can be excluded as an extreme concentration event or an exceptional event. The idea behind this time limit is that within three years, the air quality data record should be complete enough to determine whether the area is attainment or nonattainment.
CHAPTER III
PROPOSED AMENDMENTS TO THE AREA DESIGNATIONS

A. INTRODUCTION

This chapter describes the area designation process and the proposed changes to the area designation regulations. As required by H&SC section 39608, the Board updates the area designations each year, based on a review of the most recent air quality data. This year’s review is based on air quality data collected during the calendar years 2001 through 2003. The Board’s update of the area designations includes changes warranted to existing area designations. These proposed changes amend the existing CCR, title 17, sections 60200 through 60210. Furthermore, the proposed amendments must be adopted by the Board and approved by the Office of Administrative Law before they become effective.

Based on data collected during 2001 through 2003, the staff is proposing changes to the area designations for four pollutants, as summarized below. Changes in area designation status are appropriate for CO, PM10, PM2.5, and ozone. No changes are proposed for the remaining six pollutants: nitrogen dioxide, sulfur dioxide, lead, sulfates, hydrogen sulfide, and visibility reducing particles.

- **Proposed Changes to Carbon Monoxide Area Designations** (section 60202):
  - Redesignate South Coast Air Basin portion of Los Angeles County as Attainment.

- **Proposed Changes to PM10 Area Designations** (section 60205):
  - Redesignate Siskiyou County in the Northeast Plateau Air Basin as Attainment.

- **Proposed Changes to PM2.5 Area Designations** (section 60210):
  - Redesignate Lake Tahoe Air Basin as Attainment.
  - Redesignate North Central Coast Air Basin as Attainment.

- **Proposed Changes to Ozone Area Designations** (section 60201):
  - Change the designation for the North Central Coast Air Basin from Nonattainment to Nonattainment-Transitional
to reflect the change that occurred by operation of law.
B. DESIGNATION PROCESS

The area designations are based on air quality data for record as defined in section 70301 of the designation criteria (for reference, the full text of the designation criteria is contained in Attachment A to this staff report). Data for record must meet established siting and quality assurance procedures. Generally, data for record are those data collected by the Board or the districts. However, data from other sources may also be considered, as long as they satisfy the established procedures.

The process used to designate an area with respect to a State standard is generally the same for each of the ten pollutants:

- Gather data for the three-year period for each site in the area.
- Evaluate data representativeness and data completeness for each site.
- Identify and exclude exceedances affected by highly irregular or infrequent events.
- Tabulate the number of exceedances and violations by site.
- Determine the designation value for each site in the area.
- Determine the designation value for the area.
- Determine the appropriate area designation category.

Determining the designation value is the most critical part of the designation process because the designation value determines, in large part, the area designation. More detail about the designation value and how it is determined, is given in the following section.

C. DESIGNATION VALUE

The designation value is the measured concentration that is used to determine the designation status of a given area. In practice, the designation value is the highest measured concentration that remains after excluding measurements identified as affected by highly irregular or infrequent events. A designation value is determined for each pollutant, for each monitoring site in an area. The highest designation value for any site in the area becomes the designation value for the area.

Under Appendix 2 to the designation criteria, there are three types of highly irregular or infrequent events: extreme concentration events, exceptional events, and unusual concentration events. Each of these types of events is described more fully in Chapter II. The extreme concentration event is the most frequently used method for excluding values from the designation process. Using a statistical process, the ARB staff computes a site-specific and pollutant-specific value representing the concentration expected to be exceeded once per year, on average, based on the distribution of data for the site. The resulting value, referred to as the Expected Peak Day Concentration (EPDC) or peak indicator, is rounded to the precision of the State
standard before being used. The measured or averaged (for example, 8-hour averages) pollutant concentrations are rounded and compared with the rounded EPDC. Any rounded concentrations that are higher than the rounded EPDC are excluded as extreme concentration events. The highest remaining concentration then becomes the designation value for the site, unless it is excluded as an exceptional event or unusual concentration event.

For example, consider a site with an EPDC for ozone of 0.096 parts per million (ppm), and four high measured concentrations of 0.121 ppm, 0.119 ppm, 0.112 ppm, and 0.099 ppm during the prior three years. The ozone EPDC is rounded to 0.10 ppm (2 decimal places, which is the precision of the State ozone standard; refer to Attachment D to this staff report for a more detailed discussion of the rounding convention used in area designations). The four ozone measurements are also rounded to two digits, thus becoming 0.12 ppm, 0.11 ppm, 0.11 ppm, and 0.10 ppm, respectively. The 0.12 ppm measurement and the two 0.11 ppm measurements are higher than the rounded EPDC. Therefore, these three measurements are excluded from the area designation process. The next highest rounded measurement, 0.10 ppm, is equal to or lower than the rounded EPDC, so it is not excluded. Since 0.10 ppm is the highest measured value not excluded, it becomes the ozone designation value for the site. Within a designated area, the highest designation value for any site in the area becomes the designation value for the area.

When there are less than three complete years of air quality data for a site, the EPDC may not be valid for area designation purposes. If the EPDC is not valid, no measurements are excluded as extreme concentration events. In this case, the designation value for a site is simply the highest measured concentration during the specified three-year period, after excluding measurements affected by exceptional events or unusual concentration events.

D. CARBON MONOXIDE

There are three State carbon monoxide (CO) standards: a 1-hour standard of 20 ppm, an 8-hour standard of 6.0 ppm that applies only in the Lake Tahoe Air Basin (LTAB), and an 8-hour standard of 9.0 ppm that applies in all other areas of the State. The 8-hour LTAB standard is not to be exceeded while the remaining two CO standards are not to be equaled or exceeded.

1. Los Angeles County (South Coast Air Basin Portion)

The southwestern two-thirds of Los Angeles County is located in the South Coast Air Basin (SoCAB). Currently, this area is designated as nonattainment-transitional for the State CO standards. The remaining portions of the SoCAB are designated as attainment. Based on data collected during 2001 through 2003, the Los Angeles County portion of the SoCAB qualifies for redesignation as attainment.
The 1-hour State CO standard has not been exceeded anywhere in the SoCAB since 1996. During 2001 through 2003, the maximum 1-hour concentration in the SoCAB was 15.8 ppm, which is below the level of the State 1-hour standard. This concentration was measured at the Lynwood monitoring site in Los Angeles County. Historically, the Lynwood site has shown the highest CO concentrations in the SoCAB.

During 2001 through 2003, the 8-hour CO standard was exceeded only once in the SoCAB, at the Lynwood site. All other 8-hour averages during the 2001 through 2003 time period were below the level of the applicable State 8-hour standard. Over the last two decades, the Lynwood site has shown substantial reductions in CO concentrations. For example, the maximum 8-hour concentration during 1985 was 27.7 ppm, compared with a maximum of 10.1 ppm during the 2001 through 2003 time period.

The CO data collected at the Lynwood site during 2001 through 2003 are both representative and complete, as required under the criteria for an attainment designation. Furthermore, the rounded 8-hour EPDC value of 8.7 ppm is valid. Because the measured exceedance of 10.1 ppm is higher than the rounded EPDC, this exceedance is excluded from the designation process as an extreme concentration. The designation value is then the next highest measured concentration, which is 8.5 ppm.

Because the designation value of 8.5 ppm is below the level of the State 8-hour CO standard, the Los Angeles County portion of the SoCAB qualifies as attainment for the State CO standards. Therefore, the ARB staff proposes that the Board redesignate the Los Angeles County portion of the South Coast Air Basin as attainment for the State CO standards. With this change, the entire South Coast Air Basin will be attainment.

**E. SUSPENDED PARTICULATE MATTER (PM10)**

There are two State PM10 standards: a 24-hour standard of 50 micrograms per cubic meter (\(\mu g/m^3\)) and an annual standard of 20 \(\mu g/m^3\), calculated as an annual arithmetic mean. These concentrations are not to be exceeded. Based on a review of 2001 through 2003 air quality data, one area qualifies for redesignation as attainment.

1. **Siskiyou County (Northeast Plateau Air Basin)**

The Northeast Plateau Air Basin (NEPAB) comprises Siskiyou, Modoc, and Lassen counties, and the entire air basin is currently designated as nonattainment for the State PM10 standards. There are three active monitoring sites are located within the NEPAB, and all three are in Siskiyou County. In addition, there are some PM10 data collected during 2001 for one site in Lassen County and one site in Modoc County. Although the entire NEPAB is currently designated as a single nonattainment area for PM10, ARB staff conducted an analysis and concluded that the Siskiyou County portion of the air basin is unique and should be separated into a distinct PM10 attainment area.
The terrain of the NEPAB is dominated by the crest of the Sierra Nevada Mountains, rising to 12,000 feet and extending from the southeast to the northwest through Siskiyou County. The two PM10 monitoring sites located in western Siskiyou County, Yreka-Foothill Drive and Mount Shasta-North Old Stage Road, are separated from the rest of the NEPAB by the Sierra Nevada Mountains. This tends to keep emissions from these two urban areas from impacting the other sites in the NEPAB. The third site in Siskiyou County is Lava Beds National Monument, a background rural site on the eastern side of the Sierra Nevada range. Because of its remote location, emissions from other areas in the NEPAB do not have any significant impact on the Lava Beds site, even though the two urban sites of Susanville in Lassen County and Alturas in Modoc County are also located east of the Sierra Nevada range and to the south of Lava Beds National Monument.

In general, surface winds in the NEPAB blow from the north when there is high pressure aloft over the Plateau, and from the southwest when an upper-air trough approaches from Oregon. Winds at the two western Siskiyou sites tend to come off the Cascades, moving toward the east and south. The eastern NEPAB sites are more subject to a "sloshing" effect, where these downslope winds reverse and move back toward the west, allowing pollutants to accumulate at the Modoc and Lassen county sites, something not seen as strongly at the Yreka and Mount Shasta sites in Siskiyou County.

Based on an analysis of air quality, topography, meteorology, and the distribution of emissions, ARB staff proposes the Board separate Siskiyou County from the remainder of the NEPAB. PM10 data for all three Siskiyou County sites are representative and complete for 2001 through 2003 and show attainment of the State PM10 standards (both the 24-hour and the annual average standard). During the 2001 through 2003 time period, the Yreka-Foothill Drive site showed the highest concentrations with a maximum 24-hour PM10 concentration of 48 μg/m³ and a maximum annual average concentration of 18 μg/m³. In addition to separating Siskiyou County from the remainder of the NEPAB, the staff proposes the Board redesignate Siskiyou County as attainment for the State PM10 standards.

In contrast, the staff does not propose any change in the current nonattainment designation for the Lassen and Modoc county portions of the NEPAB. Sites in these counties do not have valid data for the 2001 through 2003 time period. Furthermore, in past years, data for these sites have been consistently higher than data measured at the Siskiyou County sites. Therefore, these two counties would retain their nonattainment designation for the State PM10 standards.
F. FINE SUSPENDED PARTICULATE MATTER (PM2.5)

There is one State PM2.5 standard: an annual average of 12 μg/m³, calculated as an annual arithmetic mean. This concentration is not to be exceeded. Based on data collected during 2001 through 2003, two areas qualify for redesignation as attainment.

1. Lake Tahoe Air Basin

The Lake Tahoe Air Basin (LTAB) is located in the Sierra Nevada mountain range at an elevation of approximately 6,000 feet. The area occupies a basin on the border between California and Nevada and is currently designated as unclassified for the State PM2.5 standard.

There are three PM2.5 monitoring sites in the LTAB, located at Echo Summit, South Lake Tahoe-Sandy Way, and Tahoe City-Lake Forest. The South Lake Tahoe-Sandy Way monitoring site represents the high PM2.5 site in the LTAB. Although PM2.5 data were collected at this site during all three years (2001, 2002, and 2003), the annual average concentrations are representative only for 2001 (annual average concentration of 8 μg/m³) and 2003 (annual average concentration of 7 μg/m³).

Under Appendix 2 to the designation criteria (refer to Attachment A of this staff report), an area can be designated as attainment based on two years of representative data. These two years of data are considered complete if the maximum concentrations during both years were less than 75 percent of the State standard. In this case, the State annual PM2.5 standard is 12 μg/m³ and 75 percent of this standard level is 9 μg/m³. Because the 2001 and 2003 annual averages for the South Lake Tahoe-Sandy Way site are below 9 μg/m³, the LTAB qualifies as attainment for PM2.5 based on these two years of data. Therefore, the staff proposes the Board redesignate the LTAB as attainment for the State PM2.5 standard.

2. North Central Coast Air Basin

The North Central Coast Air Basin (NCCAB) comprises Monterey, San Benito, and Santa Cruz counties. There are two PM2.5 monitoring sites located in the NCCAB at Salinas-High School in Monterey County and at Santa Cruz-Soquel Avenue in Santa Cruz County. The entire air basin is currently designated as unclassified for the State PM2.5 standard.

Both NCCAB monitoring sites have representative annual averages for two of the three years during 2001 through 2003. The available data show annual averages of 9 μg/m³ (for 2002) and 7 μg/m³ (for 2003) at the Salinas-High School site and annual averages of 9 μg/m³ (for both 2001 and 2002) at the Santa Cruz-Soquel Avenue site. Because only two years of data at each site are representative, and the annual averages are not less than 75 percent of the State PM2.5 standard, the data are not complete under the
While a representative annual average is not available for the third year, the PM2.5 monitoring data are missing only 2 measurements at each site. Because the data at both sites are so close to being representative and the available annual averages are well below the level of the State PM2.5 standard, the staff completed a conservative analysis to estimate the annual averages during the missing years, as described below.

The 2003 PM2.5 data available for the Santa Cruz-Soquel Avenue site are missing two measurements during March. Under the designation criteria (refer to Appendix 1 of the designation criteria in Attachment A of this staff report), a month is not considered representative if more than 25 percent of the potential samples are missing. Because PM2.5 sampling occurs only once every six days, a month with two or more missing samples does not meet the representativeness criteria. Therefore, with two missing measurements, the month of March 2003 is not representative. Because the month is not representative, the resulting quarterly average and annual average also are not representative and cannot be used for designation purposes. The staff completed a conservative analysis to determine what the annual PM2.5 concentration would have been if there were no missing data at the Santa Cruz-Soquel Avenue site during March 2003. Although the PM2.5 measurements are missing, there are PM10 measurements available for the missing days. The staff substituted these two PM10 measurements for the two missing PM2.5 measurements and calculated a 2003 annual average. The annual average using the PM10 measurements should be higher than what actually occurred, since PM10 includes not only the fine PM2.5 size fraction but also the size fraction of particles between PM2.5 and PM10. The resulting 2003 annual average using the PM10 measurements is 8 \( \mu \text{g/m}^3 \), which does not exceed the State PM2.5 standard.

The staff used a different approach in estimating a conservative annual average PM2.5 concentration for the Salinas-High School site. In this case, two measurements were missing during July 2001, and no corresponding PM10 measurements were available. The staff reviewed all the PM10 data measured in the vicinity of the Salinas-High School site during the past ten years. The highest 24-hour PM10 concentration ever measured was 90 \( \mu \text{g/m}^3 \) at Moss Landing during March 2003. Furthermore, this concentration (90 \( \mu \text{g/m}^3 \)) is approximately triple the highest 24-hour PM2.5 concentration ever measured at the Salinas-High School site. The staff substituted the 90 \( \mu \text{g/m}^3 \) PM10 value for the two missing PM2.5 measurements and estimated an annual average PM2.5 concentration of 11 \( \mu \text{g/m}^3 \) for the Salinas-High School site. Again, this estimated value is below the level of the State PM2.5 standard.

Based on the available PM2.5 data and the conservative estimates for the years with missing data, the staff concludes that the State PM2.5 standard is not violated in the North Central Coast Air Basin. Therefore, the staff recommends the Board redesignate the NCCAB as attainment for the State PM2.5 standard.
**G. OZONE**

The State standard for ozone is a one-hour average concentration of 0.09 ppm, not to be exceeded. Based on recent air quality data, one area has met the requirements for the ozone nonattainment-transitional designation.

Nonattainment-transitional is a subcategory of nonattainment. Under H&SC section 40925.5(a), the ozone nonattainment-transitional designation is made by operation of law. Specifically, the entire nonattainment district (or entire portion of a district within an air basin) is designated as nonattainment-transitional if air quality data show that the State ozone standard was exceeded three or fewer times at each of the sites in the area during the most recent calendar year. In determining the ozone nonattainment-transitional designation, all exceedances are counted, regardless of whether the exceedance was affected by a highly irregular or infrequent event.

Although the nonattainment-transitional designations for ozone are made by operation of law, section 70303.5 of the designation criteria sets forth guidelines for the Board to use in evaluating whether an area satisfies the requirements of H&SC section 40925.5(a). Because the nonattainment-transitional designation is based on data from only one year, it can be unstable due to year-to-year changes in meteorology. To provide more stability, the guidelines in the designation criteria allow for a review of data collected during the current calendar year. If data for the current year show more than three exceedances at any monitoring location in the area, thereby ensuring that the area would not qualify as nonattainment-transitional during the next annual review, the area remains designated as nonattainment in the area designation regulations.

1. **North Central Coast Air Basin**

The North Central Coast Air Basin (NCCAB) is comprised of Monterey County, San Benito County, and Santa Cruz County. This three-county area comprises the Monterey Bay Unified Air Pollution Control District, and is currently designated as nonattainment for the State ozone standard.

During 2003, two State ozone exceedances were measured at the Pinnacles National Monument site in San Benito County (0.11 ppm and 0.10 ppm). In addition, one exceedance was measured at the Scotts Valley-Scotts Valley Drive site in Santa Cruz County (0.10 ppm). The 2003 ozone data for both these sites are representative and complete, as required for a nonattainment-transitional designation. A review of available 2004 ozone data for the NCCAB show no exceedances of the State ozone standard at any site in the NCCAB through July. Based on these data, the NCCAB qualifies as nonattainment-transitional for ozone, and the staff recommends the Board reflect this designation change in the area designation regulations.
H. AREAS NOT RECOMMENDED FOR REDESIGNATION

Sometimes, air quality data for an area will appear to signal a change in area designation, but further evaluation indicates that a change is not warranted. This year, two areas fall into this category, and the rationale for not changing their area designation status is described below.

1. **Glenn County for Ozone**

   Glenn County is located in the Sacramento Valley Air Basin (SVAB) and is currently designated as nonattainment-transitional for the State ozone standard. Most of the remaining portions of the SVAB are currently designated as nonattainment, with the exception of Colusa County, which is currently designated as nonattainment-transitional.

   During 2001 through 2003, ozone data were collected at the Willows-East Laurel Street site in Glenn County. This site represents an area of high concentrations, and the data collected are both representative and complete for all three years. During the three-year period, the highest measured ozone concentration was 0.09 ppm. This is also the designation value for Glenn County, and it does not exceed the State ozone standard.

   Based on the measured ozone data, it would appear that Glenn County qualifies for redesignation as attainment. However, the designation criteria require that when an area smaller than an air basin is designated for ozone, the area be unique in terms of air quality. Specifically, the designation criteria require that the smaller area have distinctly different air quality, deriving from sources and conditions not affecting the entire air basin. The ARB staff must base this finding on air quality data, meteorology, topography, or the distribution of population and emissions.

   Glenn County comprises a mostly rural area, with sparse population and few emission sources. However, the County is part of the larger Sacramento Valley area. There are few barriers to the movement of air parcels in this part of the Valley, and the various counties are more similar in terms of air quality than they are unique. In addition, the Interstate 5 corridor transects the Valley, further tying the areas together.

   Based on these factors, the ARB staff does not find that Glenn County has air quality unique from other areas of the SVAB and does not propose that Glenn County be redesignated as attainment for the State ozone standard. Since the County did not have any exceedances of the State standard during 2003, the ARB staff proposes the area retain its current nonattainment-transitional designation.
2. **Lake County Air Basin for Visibility Reducing Particles**

Lake County Air Basin (LCAB) is comprised of Lake County and is located in the northern portion of California. The area is currently designated as attainment for the State visibility reducing particles (VRP) standard.

The State VRP standard applicable in the LCAB is expressed as an 8-hour average of 0.23 extinction coefficient per kilometer due to particles, when relative humidity is less than 70 percent. The extinction coefficient is the natural logarithm of the fractional transmission of a beam of light per kilometer through an air mass and is nominally equal to a visibility of 10 miles when relative humidity is less than 70 percent. The State VRP standard is not to be exceeded. Currently, no VRP data consistent with the measurement method specified in the State VRP standard are available for LCAB. However, the area does have measurements of light scatter ($B_{scat}$) and coefficient of haze (COH), which can be combined and used as a surrogate for VRP. The surrogate values tend to be biased high in comparison to values measured according to the method specified in the State VRP standard. Therefore, the surrogate values can be used for determining attainment because they represent a “worst case” scenario.

Both $B_{scat}$ and COH data are available for a site in Lakeport during 2001 through 2003, and these data are both representative and complete for all three years. The surrogate values show no exceedances of the State VRP standard during 2001 or 2003. However, the data show seven exceedances during 2002, with values ranging from 0.29 to 0.68. These values all occurred during August 2002 (one on August 4 and the remainder on August 14 through 19). Forest fires in the surrounding areas during this same timeframe may have impacted the values.

Based on these exceedances, it may appear that LCAB no longer qualifies as attainment for the State VRP standard. However, the EPDC (based on the surrogate values) for the three-year period is 0.26, and therefore, all of the high values are excluded as extreme concentration events. The highest remaining value is 0.23, which is equal to the level of the State VRP standard. However, because the State VRP standard is not to be exceeded, a value of 0.23 does not constitute a violation of the standard. Therefore, the ARB staff does not propose any change to Lake County Air Basin’s current attainment designation for the State VRP standard.
CHAPTER IV

ALTERNATIVES TO THE PROPOSED AMENDMENTS

State law (H&SC section 39607(e)) requires the Board to establish criteria for designating areas as attainment, nonattainment, or unclassified for the State standards. State law (H&SC section 39608(c)) further requires the Board to use the designation criteria in an annual review of the area designations.

The staff’s proposed amendments to the area designations are described in Chapter III of this staff report. The proposed area designations reflect the application of the designation criteria set forth in CCR, title 17, sections 70300 through 70306 and Appendices 1 through 4, thereof. Each proposed area designation is accompanied by a discussion of its basis and justification. The staff has considered the potential alternatives to the proposed amendments (namely, the no action alternative). However, based on the available data, the staff finds the proposed amendments are more appropriate than the no action alternative because the no action alternative would not be consistent with State law. In addition, the no action alternative would not inform the public about the healthfulness of air quality based on the most recent data.
[This page intentionally left blank]
CHAPTER V

IMPACTS OF THE PROPOSED AMENDMENTS

A. ECONOMIC IMPACTS

The staff does not expect the proposed amendments to have any adverse impacts on California employment, business status, or competitiveness.

1. Legal Requirement

The Government Code requires State agencies proposing to adopt or amend any administrative regulation to assess the potential for adverse economic impact on California business enterprises and individuals. The assessment shall include consideration of the impact of the proposed regulatory amendments on California jobs, business expansion, elimination, or creation, and the ability of California businesses to compete in other states.

State agencies are also required to estimate the cost or savings to any State or local agency and school district in accordance with instructions adopted by the Department of Finance. This estimate is to include non-discretionary costs or savings to local agencies and the costs or savings in federal funding to the State.

2. Potential Impact on Businesses, Business Competitiveness, Employment, and Business Creation, Elimination, or Expansion

The determinations of the Board's Executive Officer concerning the costs or savings necessarily incurred by public agencies and private persons and businesses in reasonable compliance with the proposed amendments are presented below.

The proposed amendments to the area designation regulations do not contain any requirements for action. The area designations are simply labels that describe the healthfulness of the air quality in each area, although subsequent requirements for action may result after additional steps, such as plan preparation and approval, are taken. Because the area designation regulations by themselves contain no requirements for action, they have no direct economic impact, and the following general determinations are appropriate.

In developing this regulatory proposal, the ARB staff evaluated the potential economic impacts on representative private persons or businesses. The ARB is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.
The Executive Officer also has made an initial determination that the proposed regulatory action will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons.

In accordance with Government Code section 11346.3, the Executive Officer has determined that the proposed regulatory action will not affect the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California.

The Executive Officer has also determined, pursuant to title 1, CCR, section 4, that the proposed regulatory action will not affect small businesses because the proposed regulatory action does not contain any requirements for action.

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the agency or that has otherwise been identified and brought to the attention of the agency would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

3. Potential Cost to Local and State Agencies

Similar to the previous discussion, the area designations do not contain any requirements for action, and these regulations have no direct economic impact. Therefore, pursuant to Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action will not create costs or savings to any state agency or in federal funding to the state, costs or mandate to any local agency or school district whether or not reimbursable by the state under Part 7 (commencing with section 17500), Division 4, Title 2 of the Government Code, or other nondiscretionary savings to state or local agencies.

Before taking final action on the proposed amendments to the regulations, the Board must determine that no alternative considered by the agency would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.
CHAPTER VI
ENVIRONMENTAL IMPACTS AND ENVIRONMENTAL JUSTICE

A. INTRODUCTION

The intent of the proposed regulatory action is to identify areas with unhealthy ambient air quality. Adopting the proposed amendments to the area designations will not result in any direct impact on public health or the environment because the regulations do not contain any requirements for action. However, because State law specifies certain requirements based on an area's designation status, there may be indirect benefits, based on the area designations.

B. AIR QUALITY AND ENVIRONMENTAL BENEFITS

The area designations do not contain any requirements for action, and therefore, they will not result in any air quality or environmental benefits. However, the area designations do label areas with respect to the healthfulness of their air quality. Based on these labels, certain planning requirements may come into play, thereby providing some indirect benefits to air quality and the environment.

The proposed amendments to the area designations would change one area, the North Central Coast Air Basin, from nonattainment to nonattainment-transitional for the State ozone standard. Under State law, there are specific planning requirements for areas designated as nonattainment-transitional for ozone. The goal of these planning requirements is to bring the area into attainment as expeditiously as practicable. Therefore, these requirements will result in air quality and environmental benefits.

The staff is also proposing one change to the State CO designations, one change to the State PM10 designations, and two changes to the State PM2.5 designations. All four of these changes would designate areas as attainment. Areas designated as attainment for any pollutant are required to adopt and implement the rules and regulations necessary to maintain attainment status. These requirements will result in air quality and environmental benefits.

C. ENVIRONMENTAL JUSTICE

The Board is committed to evaluating community impacts of proposed regulations, including environmental justice concerns. Because some communities experience higher exposures to air pollutants, it is a priority of the Board to ensure that full protection is afforded to all Californians. The proposed amendments to the area designations do not contain any requirements for action. However, the area designations are designed to identify areas with unhealthful air quality, based on the most recently available data.
Based on an area’s designation category, there may be specific planning requirements for improving the level of air quality. These requirements will result in reduced emissions for all nonattainment communities throughout the State. Furthermore, although State law does not impose any specific planning requirements upon districts with areas designated as attainment or unclassified, State law does require districts and the Board to make a coordinated effort to protect and enhance the ambient air quality (H&SC sections 39001 through 39003). As part of this effort, the districts must adopt rules and regulations sufficiently effective to achieve and maintain the State standards (H&SC sections 40001 and 41500). These requirements will result in improved air quality in communities throughout the State, with associated lower potential health risks.