UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OCT 27 2000

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

BY HAND DELIVERY

MEMORANDUM

SUBJECT: OECA OEJ Review of the Chicago Regional Air Quality and Economic Development Strategy Final Project Agreement

FROM: Barry E. Hill, Director
Office of Environmental Justice

TO: Richard Farrell, Assistant Administrator
Office of Policy, Economics and Innovation

Mary Kay Lynch, Director
Office of Planning and Policy Analysis

The Office of Environmental Justice (OEJ) has conducted a review of issues relating to the Chicago Regional Air Quality and Economic Development Strategy XL project. OEJ has not identified any issue with respect to risk shifting or other environmental justice issues that would prevent finalization and signature of the final project agreement.

In particular, OEJ concurs, based on:

- Our understanding that the mechanism for implementing the project, involving an interpretation of section 173(a)(1)(B) of the Clean Air Act, consists of an innovative approach for the purposes of exploring options under XL, which may not be applicable in other geographic areas for future implementation of that section of the statute;

- The potential comparative environmental and job benefits for all communities, including low-income and minority communities, that can be achieved under this plan as opposed to the New Source Review (NSR) program. Specifically, the superior environmental performance resulting from: (1) the immediate reduction, by at least 40%, of credits used for the growth allowance; (2) the requirement of

pollution prevention that goes beyond, and perhaps establishes new, generally applicable, Lowest Achievable Emission Reductions (LAER) standards; and, (3) the requirement that gives preference for job interviews to residents of the community where the facility receiving the growth allowance is located. See FPA III.A.2, 4, 5, 8;

- The emphasis on meaningful public participation in all phases of the project, including: (1) program design and emissions quantification; (2) application of the growth allowance; and, (3) project monitoring and evaluation. See FPA II.A.3. III.C. 1-3, III.G. V.E., and Appendix A.; and

- Maintenance of existing NSR requirements, See FPA II.A.6, including, among other provisions, Clean Air Act section 173(a)(5). See FPA III.H. Full application of these requirements, in combination with the enhanced public participation features of the project, should ensure that environmental justice concerns are given full consideration

OEJ looks forward to following the success of the Chicago Regional Air Quality and Economic Development Strategy Project's achievement of improved air quality for all residents and the formation and retention of Chicago area jobs, both environmental justice goals.

If you have any questions regarding our concurrence, please contact me or Nicholas Targ of my staff. We may be reached at (202) 564-2515.

cc: Sylvia Lowrance, Principal Assistant Administrator
Tim Torma, Environmental Protection Specialist, OPEI
Patricia Mott, Associate Director, Innovation and Reinvention Team, OPPA
Nicholas Franco, Environmental Protection Specialist, OPPA
Nicholas Targ, Attorney Advisor, OEJ