

DATE: March 17, 1977

SUBJECT: Response to Action Memorandum - Policy for New Sources in
Non-Attainment Areas, Hampton Roads Oil Refinery

FROM : Edward F. Tuerk, Acting Assistant Administrator for Air and Waste
Management /s/Edward F. Tuerk

MEMO TO: Daniel J. Snyder, III Regional Administrator, Region III

Your memorandum of February 22, 1977, outlines two options for handling new source review in the Hampton Roads area. Your Option A concludes that the oxidant air quality standard cannot be attained by 1980 and, therefore, Your Option B, emissions offset, is the only viable alternative. We would certainly agree that, if attainment is not possible, offsets must be investigated. The offset analysis assumes that a two-for-one offset would be required. However, as you are aware, the Interpretive Ruling published on December 21, 1975, regarding the Agency's position with respect to the location of sources within non-attainment areas, only requires "more than equivalent" offsetting emission reductions from existing sources. This interpretation, therefore, would only require the source to offset its emissions by more than "one-for-one" and would not necessarily require the two-for-one offset.

Your memorandum also suggests the need for consistency between Regions in applying the offset policy. I agree that this is highly desirable. A joint OE/OAWM workshop on new source review has just concluded in Chicago. This workshop, by identifying approaches and issues requiring policy guidance, provides the basis for a follow-up meeting at the AA/RA level or the DAA/DRA level. We will plan on making arrangements for such a session.

cc: Mr. Legro

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