AF&PA supports EPA efforts to address air permitting gridlock by reducing the number of projects that trigger New Source Review (NSR) and using more realistic modeling assumptions and tools for those projects subject to Prevention of Significant Deterioration (PSD). The permitting requirements are out of date, cumbersome and in need of major reform to help businesses expand with economic growth, while protecting the environment.

**Background:**
Every five years, EPA must decide whether the National Ambient Air Quality Standards (NAAQS) are sufficiently protective of public health. EPA has tightened the NAAQS for particulate matter (PM), sulfur dioxide, nitrogen oxides and ozone over the last decade. Traditionally, the focus of the program has been on states developing plans to improve air quality in non-attainment areas (usually cities) to meet the NAAQS. However, since the NAAQS are effective immediately, facilities contemplating projects that trigger a permitting review must demonstrate that emissions from the plant, when combined with background air quality, do not exceed the applicable NAAQS standard in order to obtain a permit. Many projects get classified as “major modifications”, discouraging efficiency improvements when in reality the projects either reduce emissions or are relatively minor.

**Permit Stalemate:**
The air permitting and regulatory requirements are out of date, rigid and time-consuming and result in unnecessary delays for business growth. With the NAAQSs having dropped closer to background levels, it is becoming more difficult to “pass the test” and get an approved permit. To prevent further ratcheting, EPA should not lower standards further until current standards are fully implemented as air quality will continue to improve under current programs.

The inability to permit a project hurts the competitiveness of the facility, harms product development and innovation and can thwart environmentally-beneficial projects. Local communities will miss out on new jobs and economic growth, while industry sectors face the risk of becoming uncompetitive in the global marketplace of forest products.

**Clarifying Permitting Policies Could Help Alleviate the Problem:**
We are pleased that EPA has made New Source Review (NSR) reform a priority based on stakeholder input and is starting to clarify and change policies. For example, the March 2018 EPA memo on realistic project emissions accounting is allowing mills to proceed with investments and avoid delays and costs while improving air quality from efficiency gains. Once subject to the burdensome modeling program, a lack of (or inappropriate) emission measurement methods, poor estimates of emissions, use of unrealistic air dispersion models and several rigid permitting policies lead to projects dying on the vine. AF&PA has provided the EPA with several suggestions, including lowering fugitive PM emissions estimates and using more realistic receptor locations.
Select Statutory Fixes Could Alleviate Unreasonable Permitting Constraints

AF&PA supports changes to the Clean Air Act to allow projects that do not increase emissions, such as pollution control investments, to be constructed without NSR review given their environmentally beneficial attributes. Existing court decisions limit these types of efficiency projects from avoiding the burdensome permitting system.
Guide to “Modernize Air Permitting To Enable Manufacturing” Graphic

- Start at the top. Each “band” is a successive step in the permitting process.
  - Down the middle you see seven steps shaded in Grey: Methods, Emissions, Models, Modeled Location, Exposure, Background and finally the Policies (“=”).
- Within each band, existing policies and tools can put you on the left (red/conservative approach) or right side (green/realistic approach). As the approaches become less realistic and trend towards worst case, you end up on the red side, further from reality.
  - EPA’s current policies and modeling tools consistently take us to the “red” side of the graphic at each step.
- As you go down the bands on the red side, unrealistic assumptions are additive resulting in a greater and greater departure from reality.
  - Data from a poor test method gets added to over-stated emissions from other parts of the facility and then exaggerated further in dispersion models and so forth, with worst case situations getting conservatively compounded and beyond recognition.
- At the bottom left, the end result is the expansion is cancelled since the modeled emissions added to the hypothetical background don’t fit in the “glass” which represents the NAAQS limit, and the facility is at risk.
  - If EPA were to adopt more realistic tools and policies across the board, then a project would go down the right “green” side and find that the project could proceed, creating jobs while still protecting health.
- This visual lays out both the problems and potential areas of improvement as shown in the middle yellow band, solutions that could help.
  - We have identified over dozen ways EPA could make improvements to the permitting process and implementation tools.
- While EPA recently implemented some helpful improvements, they fall short of what is needed. Specifically the EPA should:
  - Adopt probabilistic methods that more accurately portray exposures,
  - Shift receptor location from fence lines to where people live, study and work.
  - Exclude fugitive condensable PM and low or intermittent emitting sources from modeling.
  - Delay photo-chemical modeling until validated by additional research.
- Furthermore, the EPA should devote resources to these efforts before undertaking further changes to the underlying NAAQS. These improvements can foster investments that create jobs and keep industry globally competitive.