

Incorporation by reference, Intergovernmental relations, Lead, Nitrogen dioxide, Ozone, Particulate matter, Reporting and recordkeeping requirements, Sulfur oxides, Volatile organic compounds.

Authority: 42 U.S.C. 7401 et seq.

Dated: July 16, 2012.

Ira W. Leighton,

Acting Regional Administrator, EPA New England.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R04-OAR-2012-0081; FRL-9702-8]

Approval and Promulgation of Implementation Plans; Mississippi: New Source Review-Prevention of Significant Deterioration; Fine Particulate Matter (PM_{2.5})

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: EPA is proposing to approve a revision to the Mississippi State Implementation Plan (SIP), submitted by the Mississippi Department of Environmental Quality (MDEQ) through the Division of Air Pollution Control to EPA on May 12, 2011. The SIP revision modifies Mississippi's New Source Review (NSR) Prevention of Significant Deterioration (PSD) program. The May 12, 2011, SIP revision incorporates by reference the federal NSR PSD requirements for the fine particulate matter (PM_{2.5}) national ambient air quality standards (NAAQS) as amended in EPA's 2008 NSR PM_{2.5} Implementation Rule (hereafter referred to as the "NSR PM_{2.5} Rule") and the 2010 PM_{2.5} PSD Increment, Significant Impact Levels (SILs) and Significant Monitoring Concentration (SMC) Rule (hereafter referred to the "PM_{2.5} PSD Increment-SILs-SMC Rule") into the Mississippi SIP. EPA is proposing to approve portions of Mississippi's SIP revision because the Agency has preliminarily determined that the provisions proposed for approval are consistent with section 110 of the Clean Air Act (CAA or Act) and EPA regulations regarding NSR permitting.

DATES: Comments must be received on or before August 22, 2012.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-R04-OAR-2012-0081 by one of the following methods:

1. www.regulations.gov: Follow the on-line instructions for submitting comments.

2. **Email:** R4-RDS@epa.gov.

3. **Fax:** (404) 562-9019.

4. **Mail:** EPA-R04-OAR-2012-0081, Regulatory Development Section, Air Planning Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street SW., Atlanta, Georgia 30303-8960.

5. **Hand Delivery or Courier:** Ms. Lynorae Benjamin, Chief, Regulatory Development Section, Air Planning Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street SW., Atlanta, Georgia 30303-8960. Such deliveries are only accepted during the Regional Office's normal hours of operation. The Regional Office's official hours of business are Monday through Friday, 8:30 to 4:30, excluding federal holidays.

Instructions: Direct your comments to Docket ID No. "EPA-R04-OAR-2012-0081." EPA's policy is that all comments received will be included in the public docket without change and may be made available online at www.regulations.gov, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit through www.regulations.gov or email, information that you consider to be CBI or otherwise protected. The www.regulations.gov Web site is an "anonymous access" system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an email comment directly to EPA without going through www.regulations.gov, your email address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses. For additional information about EPA's public docket visit the EPA

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Docket: All documents in the electronic docket are listed in the www.regulations.gov index. Although listed in the index, some information is not publicly available, i.e., CBI or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either electronically in www.regulations.gov or in hard copy at the Regulatory Development Section, Air Planning Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street SW., Atlanta, Georgia 30303-8960. EPA requests that if at all possible, you contact the person listed in the **FOR FURTHER INFORMATION CONTACT** section to schedule your inspection. The Regional Office's official hours of business are Monday through Friday, 8:30 to 4:30, excluding federal holidays.

FOR FURTHER INFORMATION CONTACT: For information regarding the Mississippi SIP, contact Ms. Twunjala Bradley, Regulatory Development Section, Air Planning Branch, Air, Pesticides and Toxics Management Division, U.S. Environmental Protection Agency, Region 4, 61 Forsyth Street SW., Atlanta, Georgia 30303-8960. Ms. Bradley's telephone number is (404) 562-9352; email address: bradley.twunjala@epa.gov. For information regarding NSR, contact Ms. Yolanda Adams, Air Permits Section, at the same address above. Ms. Adams' telephone number is (404) 562-9241; email address: adams.yolanda@epa.gov. For information regarding the PM_{2.5} NAAQS, contact Mr. Joel Huey, Regulatory Development Section, at the same address above. Mr. Huey's telephone number is (404) 562-9104; email address: huey.joel@epa.gov.

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I. What action is EPA proposing?

On May 12, 2011, MDEQ submitted a SIP revision to EPA for approval into the Mississippi SIP to incorporate by

reference (IBR)¹ federal NSR PSD permitting requirements. Mississippi's SIP revision makes changes to its Air Quality Regulations in Air Pollution Control, Section 5 (APC-S-5)—*Regulations for the Prevention of Significant Deterioration of Air Quality*. These rule changes were provided to comply with federal NSR permitting provisions related to the implementation of the PM_{2.5} NAAQS for the PSD program as promulgated in the NSR PM_{2.5} Rule entitled "Implementation of the New Source Review (NSR) Program for Particulate Matter Less than 2.5 Micrometers (PM_{2.5})," Final Rule, 73 FR 28321 (May 16, 2008) and the PM_{2.5} PSD Increment-SILs-SMC Rule entitled "Prevention of Significant Deterioration (PSD) for Particulate Matter Less Than 2.5 Micrometers (PM_{2.5})—Increments, Significant Impact Levels SILs and Significant Monitoring Concentration (SMC)," Final Rule," 75 FR 64864, (October 20, 2010). Additionally, Mississippi's SIP revision requests that EPA remove from the SIP the exclusion language at APC-S-5 (2.7) regarding the NSR PM_{2.5} Rule provisions. Pursuant to section 110 of the CAA, EPA is proposing to approve these changes, with the exception of the two elements discussed below, into the Mississippi SIP.

The two elements of MDEQ's May 12, 2011, SIP revision which EPA is not proposing to approve in this action are: (1) incorporation of the SIL thresholds promulgated in EPA's PM_{2.5} PSD Increment-SILs-SMC Rule, 75 FR 64864 (October 20, 2010); and (2) incorporation of the provision regarding the applicability of the term "particulate matter emissions" when accounting for condensable particles in applicability determinations and in establishing emissions limitations in PSD permits. More details are provided in Sections II–IV below.

II. What is the background for EPA's proposed action?

Today's proposed action to revise the Mississippi SIP relates to relates to EPA's NSR PM_{2.5} Rule and the PM_{2.5} PSD Increment-SILs-SMC Rule. In the NSR PM_{2.5} Rule, EPA finalized regulations to implement the NSR program for the PM_{2.5} NAAQS. As a result of EPA's final NSR PM_{2.5} Rule, states were required to submit SIP revisions to EPA no later than May 16, 2011, to address these requirements for both the PSD and Nonattainment NSR (NNSR) programs. EPA's PM_{2.5} PSD

Increment-SILs-SMC Rule established PSD increments, SILs and SMC which address additional components for making PSD permitting determinations for PM_{2.5} NAAQS. These requirements address air quality modeling and monitoring provisions for fine particle pollution in areas protected by the PSD program (that is attainment or unclassifiable/attainment areas for the NAAQS). EPA's October 20, 2010, final rulemaking that approved the PM_{2.5} PSD Increment-SILs-SMC Rule required states to submit SIP revisions to adopt the required PSD increments by July 20, 2012. Together these two rules address the NSR permitting requirements needed to implement the PM_{2.5} NAAQS. Mississippi's May 12, 2011, SIP revision IBR into the Mississippi SIP (at APC-S-5), the PSD requirements promulgated in these two rules to be consistent with federal regulations for the PM_{2.5} NAAQS. More detail on the NSR PM_{2.5} Rule and the PM_{2.5} PSD Increment-SILs-SMC Rule can be found in EPA's May 16, 2008, and October 20, 2010, final rules respectively and are summarized below.

A. Fine Particulate Matter and the NAAQS

Fine particles in the atmosphere are made up of a complex mixture of components. Common constituents include sulfate; nitrate; ammonium; elemental carbon; a great variety of organic compounds; and inorganic material (including metals, dust, sea salt, and other trace elements) generally referred to as "crustal" material, although it may contain material from other sources. Airborne particulate matter (PM) with a nominal aerodynamic diameter of 2.5 micrometers or less (a micrometer is one-millionth of a meter, and 2.5 micrometers is less than one-seventh the average width of a human hair) are considered to be "fine particles" and are also known as PM_{2.5}. "Primary" particles are emitted directly into the air as a solid or liquid particle (e.g., elemental carbon from diesel engines or fire activities, or condensable organic particles from gasoline engines). "Secondary" particles (e.g., sulfate and nitrate) form in the atmosphere as a result of various chemical reactions.

The health effects associated with exposure to PM_{2.5} include potential aggravation of respiratory and cardiovascular disease (i.e., lung disease, decreased lung function asthma attacks and certain cardiovascular issues). Epidemiological studies have indicated a correlation between elevated PM_{2.5} levels and premature mortality. Groups considered especially sensitive

to PM_{2.5} exposure include older adults, children, and individuals with heart and lung diseases. For more details regarding health effects and PM_{2.5} see EPA's Web site at <http://www.epa.gov/oar/particlepollution/> (See heading "Health and Welfare").

On July 18, 1997, EPA revised the NAAQS for PM to add new standards for fine particles, using PM_{2.5} as the indicator. Previously, EPA used PM₁₀ (inhalable particles smaller than or equal to 10 micrometers in diameter) as the indicator for the PM NAAQS. EPA established health-based (primary) annual and 24-hour standards for PM_{2.5}, setting an annual standard at a level of 15 micrograms per cubic meter (µg/m³) and a 24-hour standard at a level of 65 µg/m³. See 62 FR 38652. At the time the 1997 primary standards were established, EPA also established welfare-based (secondary) standards identical to the primary standards. The secondary standards are designed to protect against major environmental effects of PM_{2.5}, such as visibility impairment, soiling, and materials damage. On October 17, 2006, EPA revised the primary and secondary 24-hour NAAQS for PM_{2.5} to 35 µg/m³ and retained the existing annual PM_{2.5} NAAQS of 15.0 µg/m³. See 71 FR 61236.

B. What is the NSR program?

The CAA NSR program is a preconstruction review and permitting program applicable to certain new and modified stationary sources of air pollutants regulated under the CAA. The program includes a combination of air quality planning and air pollution control technology requirements. The CAA NSR program is composed of three separate programs: PSD, NNSR, and Minor NSR. PSD is established in part C of title I of the CAA and applies in areas that meet the NAAQS ("attainment areas") as well as areas where there is insufficient information to determine if the area meets the NAAQS ("unclassifiable areas"). The NNSR program is established in part D of title I of the CAA and applies in areas that are not in attainment of the NAAQS ("nonattainment areas"). The Minor NSR program addresses construction or modification activities that do not qualify as "major" and applies regardless of the designation of the area in which a source is located. Together, these programs are referred to as the NSR program. EPA regulations governing the implementation of these programs are contained in 40 CFR sections 51.160–166; 52.21, .24; and, part 51, appendix S. Section 109 of the CAA requires EPA to promulgate a primary NAAQS to protect public

¹ Throughout this document IBR means incorporate or incorporates by reference.

health and a secondary NAAQS to protect public welfare. Once EPA sets those standards, states must develop, adopt, and submit a SIP to EPA for approval that includes emission limitations and other control measures to attain and maintain the NAAQS. *See* CAA section 110. Each SIP is also required to include a preconstruction review program for the construction and modification of any stationary source of air pollution to assure the maintenance of the NAAQS. The applicability of the PSD program to a major stationary source must be determined in advance of construction and is a pollutant-specific determination. Once a major source is determined to be subject to the PSD program (and thus is a “PSD source”), among other requirements, it must undertake a series of analyses to demonstrate that it will use the best available control technology and will not cause or contribute to a violation of any NAAQS or increment. Mississippi’s May 12, 2011, SIP submittal revises Mississippi’s PSD program.

III. What are the NSR implementation requirements for the PM_{2.5} NAAQS?

A. NSR PM_{2.5} Rule

On May 16, 2008, EPA finalized the NSR PM_{2.5} Rule to implement the PM_{2.5} NAAQS, including changes to the NSR program.² *See* 73 FR 28321. The NSR PM_{2.5} Rule revised the federal NSR program requirements to establish the framework for implementing preconstruction permit review for the PM_{2.5} NAAQS in both attainment and nonattainment areas. Specifically, the NSR PM_{2.5} Rule established NSR requirements to implement the PM_{2.5} NAAQS that: (1) Require NSR permits to address directly emitted PM_{2.5} and precursor pollutants; (2) establish significant emission rates for direct PM_{2.5} and precursor pollutants (including sulfur dioxide (SO₂) and nitrogen oxides (NO_x)); (3) establish PM_{2.5} emission offsets; (4) provide exceptions to the PM₁₀ grandfathering policy; and, (5) require states to account for gases that condense to form particles (condensables) in PM_{2.5} and PM₁₀ emission limits in PSD or NNSR permits. Additionally, the NSR PM_{2.5} Rule authorized states to adopt provisions in their nonattainment NSR rules that would allow interpollutant offset trading. Mississippi’s May 12, 2011, SIP revision addresses the PSD permitting requirements promulgated in

EPA’s May 16, 2008, NSR PM_{2.5} Rule.³ A few key issues described in greater detail below include: the PM₁₀ surrogate and grandfathering policy, the condensable provision and the NO_x precursor insignificance demonstration.

1. PM₁₀ Surrogate and Grandfathering Policy

After EPA promulgated the NAAQS for PM_{2.5} in 1997 (62 FR 38652, July 18, 1997), the Agency issued a guidance document entitled “Interim Implementation of New Source Review Requirements for PM_{2.5}.” John S. Seitz, EPA, October 23, 1997 (the “Seitz memo”). The Seitz memo was designed to help states implement NSR requirements pertaining to the new PM_{2.5} NAAQS in light of technical difficulties posed by PM_{2.5} at that time. Specifically, the Seitz memo stated: “PM-10 may properly be used as a surrogate for PM-2.5 in meeting NSR requirements until these difficulties are resolved.” EPA also issued a guidance document entitled “Implementation of New Source Review Requirements in PM-2.5 Nonattainment Areas” (the “2005 PM_{2.5} NNSR Guidance”), on April 5, 2005, the date that EPA’s PM_{2.5} nonattainment area designations became effective for the 1997 NAAQS. The 2005 PM_{2.5} NNSR Guidance provided direction regarding implementation of the nonattainment major NSR provisions in PM_{2.5} nonattainment areas in the interim period between the effective date of the PM_{2.5} nonattainment area designations (April 5, 2005) and EPA’s promulgation of final PM_{2.5} NNSR regulations. Besides re-affirming the continuation of the PM₁₀ Surrogate Policy for PM_{2.5} attainment areas set forth in the Seitz memo, the 2005 PM_{2.5} NNSR Guidance recommended that until EPA promulgated the PM_{2.5} major NSR regulations, “States should use a PM₁₀ nonattainment major NSR program as a surrogate to address the requirements of nonattainment major NSR for the PM_{2.5} NAAQS.”

In the NSR PM_{2.5} Rule, EPA required that major stationary sources seeking permits must begin directly satisfying the PM_{2.5} requirements, as of the effective date of the rule, rather than relying on PM₁₀ as a surrogate, with two exceptions. The first exception is the “grandfathering” provision in the

federal PSD program at 40 CFR 52.21(i)(1)(xi). This grandfathering provision applied to sources that had applied for, but had not yet received, a final and effective PSD permit before the July 15, 2008, effective date of the May 16, 2008, final rule. The second exception was that states with SIP-approved PSD programs could continue to implement the Seitz Memo’s PM₁₀ Surrogate Policy for up to three years (until May 2011) or until EPA approved the individual revised state PSD programs for PM_{2.5}, whichever came first. *See* 73 FR 28321.⁴

On February 11, 2010, EPA proposed to repeal the grandfathering provision for PM_{2.5} contained in the federal PSD program at 40 CFR 52.21(i)(1)(xi) and to end early the PM₁₀ Surrogate Policy applicable in states that have a SIP-approved PSD program. *See* 75 FR 6827. In support of this proposal, EPA explained that the PM_{2.5} implementation issues that led to the adoption of the PM₁₀ Surrogate Policy in 1997 have been largely resolved to a degree sufficient for sources and permitting authorities to conduct meaningful permit-related PM_{2.5} analyses.

On May 18, 2011 (76 FR 28646), EPA took final action to repeal the PM_{2.5} grandfathering provision at 40 CFR 52.21(i)(1)(xi). This final action ended the use of the 1997 PM₁₀ Surrogate Policy for PSD permits under the federal PSD program at 40 CFR 52.21. In effect, any PSD permit applicant previously covered by the grandfathering provision (for sources that completed and submitted a permit application before July 15, 2008)⁵ that did not have a final and effective PSD permit before the effective date of the repeal would no longer be able to rely on the 1997 PM₁₀ Surrogate Policy to satisfy the PSD requirements for PM_{2.5} unless the application included a valid surrogacy demonstration. *See* 76 FR 28646. Mississippi’s May 12, 2011, SIP revision, did not IBR the grandfathering provision at 40 CFR 52.21(i)(1)(xi), in accordance with the repeal of the PM_{2.5} grandfathering provision.

2. “Condensable” Provision

In the NSR PM_{2.5} Rule, EPA revised the definition of “regulated NSR

⁴ Additional information on this issue can also be found in an August 12, 2009, final order on a title V petition describing the use of PM₁₀ as a surrogate for PM_{2.5}. In the Matter of *Louisville Gas & Electric Company*, Petition No. IV-2008-3, Order on Petition (August 12, 2009).

⁵ Sources that applied for a PSD permit under the federal PSD program on or after July 15, 2008, are already excluded from using the 1997 PM₁₀ Surrogate Policy as a means of satisfying the PSD requirements for PM_{2.5}. *See* 76 FR 28321.

² On November 1, 2005, EPA proposed a rule to implement the 1997 PM_{2.5} NAAQS, including proposed revisions to the NSR program. *See* 70 FR 65984.

³ Mississippi’s May 12, 2011, SIP revision only addresses the State’s PSD permitting program and does not adopt the NNSR permitting requirements for PM_{2.5} emission offsets, condensable provision or the discretionary interpollutant trading policy and ratios promulgated in the 2008 NSR PM_{2.5} Rule. Moreover Mississippi is attainment for the 1997 annual and 2006 24-hour PM_{2.5} NAAQS.

pollutant” for PSD to add a paragraph providing that “particulate matter (PM) emissions, PM_{2.5} emissions and PM₁₀ emissions” shall include gaseous emissions from a source or activity which condense to form particulate matter at ambient temperatures and that on or after January 1, 2011, such condensable particulate matter shall be accounted for in applicability determinations and in establishing emissions limitations for PM, PM_{2.5} and PM₁₀ in permits. *See* 40 CFR 51.166(b)(49)(vi), 52.21(b)(50)(vi) and “Emissions Offset Interpretative Ruling” (40 CFR part 51, appendix S). A similar paragraph added to the NNSR rule does not include “particulate matter (PM) emissions.” *See* 40 CFR 51.165(a)(1)(xxxvii)(D).

On March 16, 2012, EPA proposed a rulemaking to amend the definition of “regulated NSR pollutant” promulgated in the 2008 NSR PM_{2.5} Rule regarding the PM condensable provision at 40 CFR 51.166(b)(49)(vi), 52.21(b)(50)(i) and EPA’s Emissions Offset Interpretative Ruling. *See* 77 FR 15656. The rulemaking proposes to remove the inadvertent requirement in the NSR PM_{2.5} Rule that the measurement of condensable “particulate matter emissions” be included as part of the measurement and regulation of “particulate matter emissions.” The term “particulate matter emissions” includes particles that are larger than PM_{2.5} and PM₁₀ and is an indicator measured under various New Source Performance Standards (NSPS) (40 CFR part 60).⁶ Mississippi’s May 12, 2011, SIP revision IBR EPA’s definition for regulated NSR pollutant for condensables (at APC-S-5) including the term “particulate matter emissions,” as promulgated in the NSR PM_{2.5} Rule. EPA’s review of Mississippi’s May 12, 2011, SIP revision with regard to the NSR PM_{2.5} Rule condensable provision is provided below in Section IV.

3. NO_x Insignificance Determination

Fine particles can be emitted directly from a facility or formed secondarily in the atmosphere from emissions of other compounds referred to as precursors. In addition to direct PM_{2.5} emissions, pollutants that can contribute to ambient PM_{2.5} concentrations (known as “precursors”) include SO₂, NO_x, volatile organic compounds (VOC) and ammonia (of which all undergo

chemical reactions to form secondary PM). In most areas of the country, PM_{2.5} precursor emissions are major contributors to ambient PM_{2.5} concentrations. The relative contribution to ambient PM_{2.5} concentrations from each of these pollutants varies by area. The relative effect of reducing emissions of these pollutants is also highly variable. In the NSR PM_{2.5} Rule, EPA established various approaches for addressing the individual precursors to PM_{2.5} under the CAA’s NSR provisions. *See* 73 FR 28321.

Based on scientific factors suggesting that nitrate concentrations vary significantly across the country, EPA established a “presumed-in” approach for NO_x as a PM_{2.5} precursor. This approach is warranted based on the well-known transformation of NO_x into nitrates, coupled with the fact that nitrate concentrations vary significantly around the country. The final NSR PM_{2.5} Rule requires that states treat NO_x as a PM_{2.5} precursor in all areas unless the state demonstrates to the Administrator’s satisfaction or EPA demonstrates that emissions of NO_x from sources in a specific area are not a significant contributor to that area’s ambient PM_{2.5} concentrations.⁷ *See* 40 CFR 51.166(b)(49)(i), 51.165(a)(1)(xxxvii) and 52.21(b)(50)(i). If EPA makes such a demonstration, or a state makes such a demonstration and it is approved by EPA, NO_x would not be considered a PM_{2.5} precursor under the NSR program in that area. If a State or EPA does not make such a demonstration, NO_x must be regulated as a precursor under the PSD, NNSR, and minor source programs for PM_{2.5}.

Mississippi’s May 12, 2011, SIP revision IBR the provision that NO_x is presumed to be a precursor for PM_{2.5}. However, MDEQ also submitted to EPA a NO_x insignificance demonstration to show that NO_x emissions in the state of Mississippi are not contributing to ambient PM_{2.5} concentrations in the state. At this time, EPA is still considering Mississippi’s NO_x insignificance demonstration and will take action on this portion of the May 12, 2011, SIP revision in a separate rulemaking. However, until EPA takes action on Mississippi’s insignificance demonstration, EPA is proposing to approve Mississippi’s incorporation into its SIP the federal regulatory provision

providing that NO_x is a presumed PM_{2.5} precursor.

B. PM_{2.5} PSD Increment-SILs-SMC Rule

As mentioned above, EPA finalized the PM_{2.5} PSD Increment-SILs-SMC Rule to provide additional regulatory requirements under the PSD program regarding the implementation of the PM_{2.5} NAAQS for NSR.⁸ Specifically, the rule establishes the following to implement the PM_{2.5} NAAQS for the PSD program: (1) PM_{2.5} increments pursuant to section 166(a) of the CAA to prevent significant deterioration of air quality in areas meeting the NAAQS; (2) SILs used as a screening tool (by a major source subject to PSD) to evaluate the impact a proposed major source or modification may have on the NAAQS or PSD increment; and (3) a SMC, (also a screening tool) used by a major source subject to PSD to determine the subsequent level of data gathering required for a PSD permit application for emissions of PM_{2.5}. As part of the response to comments on October 20, 2010 final rulemaking, EPA explained that, the agency agrees that the SILs and SMCs used as *de minimis* thresholds for the various pollutants are useful tools that enable permitting authorities and PSD applicants to screen out “insignificant” activities; however, the fact remains that these values are not required by the Act as part of an approvable SIP program. EPA believes that most states are likely to adopt the SILs and SMCs because of the useful purpose they serve regardless of our position that the values are not mandatory. Alternatively, states may develop more stringent values if they desire to do so. In any case, states are not under any SIP-related deadline for revising their PSD programs to add these screening tools. *See* 75 FR 64864, 64900.

Mississippi’s May 12, 2011, SIP revision IBR the NSR changes promulgated in the PM_{2.5} PSD Increment-SILs-SMC Rule to be consistent with the federal NSR regulations and to appropriately implement the State’s NSR program for the PM_{2.5} NAAQS. More detail on the PM_{2.5} PSD Increment-SILs-SMC Rule can be found in EPA’s October 20, 2010, final rule and is summarized below. *See* 75 FR 64864. EPA is not proposing to take action to approve the SILs (promulgated in the PM_{2.5} PSD Increment-SILs-SMC Rule) into the Mississippi SIP in this rulemaking. EPA’s authority to implement the SILs

⁶ In addition to the NSPS for PM, states have regulated “particulate matter emissions” for many years in their SIPs for PM, and the same indicator has been used as a surrogate for determining compliance with certain standards contained in 40 CFR part 63, regarding National Emission Standards for Hazardous Air Pollutants.

⁷ The NSR PM_{2.5} Rule presumes that VOC and ammonia are not precursors to PM_{2.5} unless a state or EPA demonstrates that these pollutants are significantly contributing to the ambient PM_{2.5} concentrations in a specific area. The rule requires that SO₂ be treated as a precursor to PM_{2.5} in all areas.

⁸ EPA proposed approval of the PSD Increments-SILs-SMC Rule on September 21, 2007. *See* 72 FR 54112.

and SMC for PSD purposes has been challenged by the Sierra Club. *Sierra Club v. EPA*, Case No 10–1413 (D.C. Circuit Court).⁹ More details regarding Mississippi's changes to its NSR regulations are also summarized below in Section IV.

1. What are PSD increments?

As established in part C of title I of the CAA, EPA's PSD program protects public health from adverse effects of air pollution by ensuring that construction of new or modified sources in attainment or unclassifiable areas does not lead to significant deterioration of air quality while simultaneously ensuring that economic growth will occur in a manner consistent with preservation of clean air resources. Under section 165(a)(3) of the CAA, a PSD permit applicant must demonstrate that emissions from the proposed construction and operation of a facility "will not cause, or contribute to, air pollution in excess of any maximum allowable increase or allowable concentration for any pollutant." In other words, when a source applies for a permit to emit a regulated pollutant in an area that meets the NAAQS, the state and EPA must determine if emissions of the regulated pollutant from the source will cause significant deterioration in air quality. Significant deterioration occurs when the amount of the new pollution exceeds the applicable PSD increment, which is the "maximum allowable increase" of an air pollutant allowed to occur above the applicable baseline concentration¹⁰ for that pollutant. PSD increments prevent air quality in clean areas from deteriorating to the level set by the NAAQS. Therefore an increment is the mechanism used to estimate "significant deterioration" of air quality for a pollutant in an area.

For PSD baseline purposes, a baseline area for a particular pollutant emitted from a source includes the attainment or unclassifiable area in which the source is located as well as any other attainment or unclassifiable area in which the source's emissions of that pollutant are projected (by air quality modeling) to result in an ambient pollutant increase of at least 1 $\mu\text{g}/\text{m}^3$ (annual average). See 40 CFR 52.21(b)(15)(i). Under EPA's existing regulations, the establishment of a baseline area for any PSD increment

results from the submission of the first complete PSD permit application and is based on the location of the proposed source and its emissions impact on the area. Once the baseline area is established, subsequent PSD sources locating in that area need to consider that a portion of the available increment may have already been consumed by previous emissions increases. In general, the submittal date of the first complete PSD permit application in a particular area is the operative "baseline date."¹¹ On or before the date of the first complete PSD application, emissions generally are considered to be part of the baseline concentration, except for certain emissions from major stationary sources. Most emissions increases that occur after the baseline date will be counted toward the amount of increment consumed. Similarly, emissions decreases after the baseline date restore or expand the amount of increment that is available. See 75 FR 64864. As described in the PM_{2.5} PSD Increment-SILs-SMC Rule, pursuant to the authority under section 166(a) of the CAA, EPA promulgated numerical increments for PM_{2.5} as a new pollutant¹² for which NAAQS were established after August 7, 1977,¹³ and derived 24-hour and annual PM_{2.5} increments for the three area classifications (Class I, II and III) using the "contingent safe harbor" approach. See 75 FR 64864 at 64869 and table at 40 CFR 51.166(c)(1).

In addition to PSD increments for the PM_{2.5} NAAQS, the PM_{2.5} PSD Increment-SILs-SMC Rule amended the definition at 40 CFR 51.166 and 52.21 for "major source baseline date" and "minor source baseline date" (including trigger dates) to establish the PM_{2.5} NAAQS specific dates associated with the implementation of PM_{2.5} PSD increments. See 75 FR 64864. In accordance with section 166(b) of the CAA, EPA required the states to submit revised implementation plans to EPA

for approval (to adopt the PM_{2.5} PSD increments) within 21 months from promulgation of the final rule (by July 20, 2012). Each state was responsible for determining how increment consumption and the setting of the minor source baseline date for PM_{2.5} would occur under its own PSD program. Regardless of when a State begins to require PM_{2.5} increment analysis and how it chooses to set the PM_{2.5} minor source baseline date, the emissions from sources subject to PSD for PM_{2.5} for which construction commenced after October 20, 2010 (major source baseline date) consume PM_{2.5} increment and should be included in the increment analyses occurring after the minor source baseline date is established for an area under the state's revised PSD program. As discussed in detail in Section IV, Mississippi's May 12, 2011, SIP revision IBR the PM_{2.5} increment permitting requirements promulgated in the PM_{2.5} PSD Increment-SILs-SMC Rule.

2. What are significant monitoring concentrations?

Under the CAA and EPA regulations, an applicant for a PSD permit is required to gather preconstruction monitoring data in certain circumstances. Section 165(a)(7) calls for "such monitoring as may be necessary to determine the effect which emissions from any such facility may have, or is having, on air quality in any areas which may be affected by emissions from such source." In addition, section 165(e) requires an analysis of the air quality in areas affected by a proposed major facility or major modification and calls for gathering one year of monitoring data unless the reviewing authority determines that a complete and adequate analysis may be accomplished in a shorter period. These requirements are codified in EPA's PSD regulations at 40 CFR 51.166(m) and 40 CFR 52.21(m). In accordance with EPA's Guideline for Air Quality Modeling (40 CFR part 51, appendix W), the preconstruction monitoring data is primarily used to determine background concentrations in modeling conducted to demonstrate that the proposed source or modification will not cause or contribute to a violation of the NAAQS. See 40 CFR part 51, appendix W, section 9.2. SMC are numerical values that represent thresholds of insignificant (i.e., *de minimis*¹⁴), monitored (ambient)

⁹On April 6, 2012, EPA filed a brief with the D.C. Circuit court defending the Agency's authority to implement SILs and SMC for PSD purposes.

¹⁰Section 169(4) of the CAA provides that the baseline concentration of a pollutant for a particular baseline area is generally the air quality at the time of the first application for a PSD permit in the area.

¹¹Baseline dates are pollutant specific. That is, a complete PSD application establishes the baseline date only for those regulated NSR pollutants that are projected to be emitted in significant amounts (as defined in the regulations) by the applicant's new source or modification. Thus, an area may have different baseline dates for different pollutants.

¹²EPA generally characterized the PM_{2.5} NAAQS as a NAAQS for a new indicator of PM. EPA did not replace the PM₁₀ NAAQS with the NAAQS for PM_{2.5} when the PM_{2.5} NAAQS were promulgated in 1997. EPA rather retained the annual and 24-hour NAAQS for PM_{2.5} as if PM_{2.5} was a new pollutant even though EPA had already developed air quality criteria for PM generally. See 75 FR 64864 (October 20, 2012).

¹³EPA interprets 166(a) to authorize EPA to promulgate pollutant-specific PSD regulations meeting the requirements of section 166(c) and 166(d) for any pollutant for which EPA promulgates a NAAQS after 1977.

¹⁴The *de minimis* principle is grounded in the decision described by the court case *Alabama Power Co. v. Costle*, 636 F.2d 323, 360 (D.C. Cir. 1980). In this case reviewing EPA's 1978 PSD

impacts on pollutant concentrations. In EPA's PM_{2.5} PSD Increment-SILs-SMC Rule, EPA established a SMC of 4 µg/m³ for PM_{2.5} to be used as a screening tool by a major source subject to PSD to determine the subsequent level of data gathering required for a PSD permit application for emissions of PM_{2.5}. See 75 FR 64864.

Using the SMC as a screening tool, sources may be able to demonstrate that the modeled air quality impact of emissions from the new source or modification, or the existing air quality level in the area where the source would construct, is less than the SMC (i.e., *de minimis*), and as such, may be allowed to forego the preconstruction monitoring requirement for a particular pollutant at the discretion of the reviewing authority. See 40 CFR 51.166(i)(5) and 52.21(i)(5). SMCs are not minimum required elements of an approvable SIP under the CAA. This *de minimis* value is widely considered to be a useful component for implementing the PSD program, but is not absolutely necessary for the states to implement PSD programs. States can satisfy the statutory requirements for a PSD program by requiring each PSD applicant to submit air quality monitoring data for PM_{2.5} without using *de minimis* thresholds to exempt certain sources from such requirements. See 75 FR 64864. The SMC became effective under the federal PSD program on December 20, 2010. States with EPA-approved PSD programs that adopt the SMC for PM_{2.5}, however, may use the SMC, once it is part of an approved SIP, to determine when it may be appropriate to exempt a particular major stationary source or major modification from the monitoring requirements under its state PSD program. Mississippi's May 12, 2011, revision IBR the SMC provision into the Mississippi SIP.

Recently, the Sierra Club filed suit challenging EPA's authority to implement the PM_{2.5} SILs¹⁵ as well as the SMC for PSD purposes as promulgated in the October 20, 2012, rule. *Sierra Club v. EPA*, Case No 10-1413, D.C. Circuit Court. Specifically regarding the SMC, Sierra Club claims that the use of SMCs to exempt a source from submitting a year's worth of monitoring data is inconsistent with the

regulations, the court recognized that "there is likely a basis for an implication of *de minimis* authority to provide exemption when the burdens of regulation yield a gain of trivial or no value." 636 F.2d at 360.

¹⁵ As mentioned earlier, due to litigation by the Sierra Club, EPA is not proposing to take action on the SILs portion of the Mississippi May 12, 2011 SIP revision at this time but will take action once the court case regarding SILs implementation is resolved.

CAA. EPA responded to Sierra Club's claims in a Brief dated April 6, 2012, which describes the Agency's authority to develop and promulgate SMC.¹⁶ A copy of EPA's April 6, 2010 Brief can be found in the docket for today's rulemaking at www.regulations.gov using docket ID: EPA-R04-OAR-2012-0081.

IV. What is EPA's analysis of Mississippi's SIP revision?

Mississippi currently has a SIP-approved NSR program for new and modified stationary sources. MDEQ's PSD preconstruction rules are found at rule APC-S-5—*Regulation for the Prevention of Significant Deterioration of Air Quality* and apply to major stationary sources or modifications constructed in areas designated attainment or unclassifiable/attainment as required under part C of title I the CAA with respect to the NAAQS. Mississippi's regulation APC-S-5 IBR the federal NSR PSD regulations at 40 CFR 51.166 and 52.21 into the Mississippi SIP. In effect, MDEQ's May 12, 2011, SIP revision updates the State's IBR date for APC-S-5 to March 22, 2011, to include PSD permitting regulations promulgated in the NSR PM_{2.5} Rule and the PM_{2.5} PSD Increment-SILs-SMC Rule into the Mississippi SIP. These changes to Mississippi's regulation APC-S-5 became state effective on June 2, 2011. EPA is proposing to approve changes to Mississippi's rules at APC-S-5 to update the State's existing SIP-approved PSD program to be consistent with federal NSR regulations, (at 40 CFR 51.166 and 52.21) and the CAA.

A. NSR PM_{2.5} Implementation Rule

Mississippi's May 12, 2011, SIP revision establishes that the State's existing NSR permitting program requirements for PSD apply to the PM_{2.5} NAAQS and its precursors. Specifically, the SIP revision IBR the following NSR PM_{2.5} Rule provisions into the Mississippi SIP at regulation APC-S-5: (1) The requirement for NSR permits to address directly emitted PM_{2.5} and precursor pollutants; (2) significant emission rates for direct PM_{2.5} and precursor pollutants (SO₂ and NO_x); and (3) the requirement that condensable PM be addressed in

¹⁶ Additional information on this issue can also be found in an April 25, 2010 comment letter from EPA Region 6 to the Louisiana Department of Environmental Quality regarding the SILs-SMC litigation. A copy of this letter can be found in the docket for today's rulemaking at www.regulations.gov using docket ID: EPA-R04-OAR-2012-0081.

enforceable PM₁₀ and PM_{2.5} emission limits included in PSD permits.

As mentioned above, Mississippi's May 12, 2011, SIP revision IBR into the State's PSD program at APC-S-5 the requirement to address condensable PM in applicability determinations and in establishing enforceable emission limits in PSD and NSR permits, as established in the NSR PM_{2.5} Rule. As discussed in Section III.A.2, under a separate action, EPA has proposed to correct the inadvertent inclusion of "particulate matter emissions" in the definition of "regulated NSR pollutant" as an indicator for which condensable emissions must be addressed. See 77 FR 75656 (March 16, 2012). Further, on June 26, 2012, the State of Mississippi provided a letter to EPA with clarification of the State's intent in light of EPA's March 12, 2012, proposed rulemaking. A copy of this letter can be found in the docket for today's rulemaking at www.regulations.gov using docket ID: EPA-R04-OAR-2012-0081. Specifically, Mississippi requested that EPA not approve the term "particulate matter emissions" (at APC-S-5) as part of the definition for "regulated NSR pollutant" regarding the inclusion of condensable emissions in applicability determinations and in establishing emissions limitations for PM. Therefore, given the State's request and EPA's intention to amend the definition of "regulated NSR pollutant," EPA is not proposing action to approve the terminology "particulate matter emissions" into the Mississippi SIP for the condensable provision in the definition of "regulated NSR pollutant." EPA is, however, proposing to approve into the Mississippi SIP at APC-S-5 the remaining condensable requirement at 40 CFR 51.166(b)(49)(vi), which requires that condensable emissions be accounted for in applicability determinations and in establishing emissions limitations for PM_{2.5} and PM₁₀. Regarding the grandfathering provision, MDEQ's May 12, 2012 SIP revision included new language at APC-S-5(2.7) that excluded the provision for PM_{2.5} (at 40 CFR 52.21(i)(1)(xi)) from the PSD program regulations in accordance with the repeal of the PM_{2.5} grandfathering provision.

EPA's NSR PM_{2.5} Rule identifies NO_x as a presumed PM_{2.5} precursor in all attainment and unclassifiable areas unless the state demonstrates to the Administrator's satisfaction or EPA demonstrates that emissions of NO_x from sources in a specific area are not a significant contributor to that area's ambient PM_{2.5} concentrations. Mississippi's May 12, 2011, SIP submittal included a technical

demonstration proposing that NO_x sources in Mississippi do not significantly contribute to PM_{2.5} ambient air concentrations in the state. As stated in Mississippi's May 12, 2011, SIP revision, NO_x will be considered as a precursor to PM_{2.5} in Mississippi until such time as EPA takes action on the state's technical NO_x insignificance demonstration or upon plan disapproval. Currently, EPA is considering Mississippi's NO_x insignificance demonstration and will take action on this portion of the May 12, 2011, SIP submission in a separate rulemaking. Therefore, as part of MDEQ's May 12, 2011, revision to IBR the federal regulations at 40 CFR 51.166 and 52.21, EPA is proposing at this time to approve into the Mississippi SIP that NO_x is a presumed PM_{2.5} precursor. Lastly, Mississippi's May 12, 2011, SIP revision also requests that EPA remove from the SIP the exclusion language at APC-S-5(2.7) regarding the NSR PM_{2.5} Rule provisions. In Mississippi's December 9, 2010 Greenhouse Gas Tailoring Rule final SIP revision, MDEQ added specific language at APC-S-5(2.7) excluding from the IBR of 40 CFR 52.21 the PSD NSR PM_{2.5} Rule provisions promulgated in the May 16, 2008 rule and stated they would submit a separate rulemaking to address those PSD requirements. Mississippi's May 12, 2011, SIP submittal, the subject of today's proposed rulemaking, addresses the PSD NSR PM_{2.5} Rule provisions that were excluded at APC-S-5(2.7). Therefore the exclusion language for the NSR PM_{2.5} Rule provisions at APC-S-5(2.7) is no longer necessary and EPA is today proposing to remove it from the Mississippi SIP. EPA is proposing to approve the NSR PM_{2.5} requirements mentioned above into the Mississippi SIP because EPA has made the preliminary determination that this change is consistent with federal regulations promulgated in the NSR PM_{2.5} Rule and section 110 of the CAA.

B. PM_{2.5} PSD Increment-SILs-SMC Rule

MDEQ's May 12, 2011, SIP revision IBR the following provisions into the Mississippi SIP at regulation APC-S-5 as promulgated in the October 20, 2010, PM_{2.5} PSD Increment-SILs-SMC Rule: (1) PSD increments for PM_{2.5} annual and 24-hour NAAQS pursuant to section 166(a) of the CAA; (2) SILs used as a screening tool (used by a major source subject to PSD) to evaluate the impact a proposed major source or modification may have on the NAAQS or PSD increment; and (3) SMC also used as a screening tool to determine the level of data gathering required of a major

source in support of its PSD permit application for PM_{2.5} emissions.

Specifically, Mississippi's May 12, 2011, SIP revision IBR into the Mississippi SIP (at APC-S-5) the PM_{2.5} PSD increments (established in the tables at 40 CFR 51.166(c)(1) and (p)(4); the amendments to the "major source baseline date" (at 40 CFR 51.166(b)(14)(i)(c) and 52.21(b)(14)(i)(c)); the "minor source baseline date" and establishment of the "trigger date" (40 CFR 51.166(b)(14)(ii)(c) and 52.21(b)(14)(ii)(c)); and the definition of "baseline area" (at 40 CFR 51.166(b)(15)(i) and (ii) and 52.21(b)(15)(i) and (ii)). These changes, which are associated with the implementation or consumption of the PSD increments for the PM_{2.5} NAAQS, are needed to implement the state's NSR program for the PM_{2.5} NAAQS consistent with the federal NSR regulations. Also, Mississippi's SIP revision adds the SMC of 4 µg/m³ for PM_{2.5} NAAQS to the existing monitoring exemption at 40 CFR 51.166(i)(5)(i)(c) and 52.21(i)(5)(i)(c). In today's action, EPA is proposing to approve Mississippi's May 12, 2011, SIP revision to address PM_{2.5} PSD increments.

Regarding the SILs and SMC established in the October 20, 2010, PM_{2.5} PSD Increment-SILs-SMC Rule, the Sierra Club has challenged EPA's authority to implement SILs and SMC. In a brief filed in the D.C. Circuit on April 6, 2012, EPA described the Agency's authority under the CAA to promulgate and implement the SMCs and SILs *de minimis* thresholds. With respect to the SMCs submitted by Mississippi in the May 12, 2011, SIP revision, EPA is proposing to approve these promulgated thresholds into the Mississippi SIP as EPA believes the SMC are a valid exercise of the Agency's *de minimis* authority. Furthermore Mississippi's May 12, 2011, SIP revision is consistent with EPA's current promulgated provisions in the October 20, 2011, rule. However, EPA notes that future Court action may require subsequent rule revisions and SIP revisions from Mississippi.

The May 12, 2012, SIP revision submitted by Mississippi to IBR the new PSD requirements for PM_{2.5} pursuant to the PM_{2.5} PSD Increment-SILs-SMC Rule also includes the new regulatory text at 40 CFR 51.166(k)(2) and 52.21(k)(2), concerning the implementation of SILs for PM_{2.5}. EPA stated in the preamble to the October 20, 2010 final rule that we do not consider the SILs to be a mandatory SIP element, but regard them as discretionary on the part of regulating authority for use in the PSD permitting

process. Nevertheless, the PM_{2.5} SILs are currently the subject of litigation before the U.S. Court of Appeals. (*Sierra Club v. EPA*, Case No 10-1413 D.C. Circuit). In response to that litigation, EPA has requested that the Court remand and vacate the regulatory text in EPA's PSD regulations at paragraph (k)(2) so that EPA can make necessary rulemaking revisions to that text. In light of EPA's request for remand and vacatur and our acknowledgement of the need to revise the regulatory text presently contained at paragraph (k)(2) of sections 51.166 and 52.21, we do not believe that it is appropriate at this time to approve that portion of the State's SIP revision that contains the affected regulatory text in the State's PSD regulations, at APC-S-5. Instead, we are taking no action at this time with regard to that specific provision contained in the SIP revision. EPA will take action on the SILs portion of Mississippi's May 12, 2011, SIP revision in a separate rulemaking once the issue regarding the court case has been resolved.

The aforementioned amendments to Mississippi's SIP provide the framework for implementation of PM_{2.5} NAAQS in the states NSR permitting. Based on review and consideration of Mississippi's May 12, 2011, SIP revision, EPA has made the preliminary determination to approve the aforementioned PSD permitting provisions promulgated in the NSR PM_{2.5} Rule and PM_{2.5} PSD Increment-SILs-SMC Rule into the Mississippi SIP to implement the NSR program for the PM_{2.5} NAAQS.

V. Proposed Action

EPA is proposing to approve portions of Mississippi's May 12, 2011, SIP revision adopting federal regulations amended in the May 16, 2008, NSR PM_{2.5} Rule and the October 20, 2010, PM_{2.5} PSD Increment-SILs-SMC rule into the Mississippi SIP with the exception of the SIL thresholds and the provision regarding the applicability of the term "particulate matter emissions." EPA has made the preliminary determination that this SIP revision, with regard to the aforementioned proposed actions, is approvable because it is consistent with section 110 of the CAA and EPA regulations regarding NSR permitting.

VI. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the Act and applicable federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions,

EPA's role is to approve state choices, provided that they meet the criteria of the CAA. Accordingly, this proposed action merely approves state law as meeting federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this proposed action:

- Is not a "significant regulatory action" subject to review by the Office of Management and Budget under Executive Order 12866 (58 FR 51735, October 4, 1993);
- Does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);
- Is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);
- Does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Pub. L. 104-4);
- Does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- Is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);
- Is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- Is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because application of those requirements would be inconsistent with the CAA; and
- Does not provide EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, this proposed rule does not have tribal implications as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), because the SIP is not approved to apply in Indian country located in the state, and EPA notes that it will not impose substantial direct costs on tribal governments or preempt tribal law.

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Intergovernmental relations, Nitrogen oxides, Ozone, Particulate matter, Reporting and recordkeeping requirements.

Authority: 42 U.S.C. 7401 *et seq.*

Dated: July 12, 2012.

A. Stanley Meiburg,

Acting Regional Administrator, Region 4.

[FR Doc. 2012-17893 Filed 7-20-12; 8:45 am]

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DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

48 CFR Parts 1, 25, and 52

[FAR Case 2011-029; Docket No. 2011-0029; Sequence 1]

RIN 9000-AM20

Federal Acquisition Regulation; Contractors Performing Private Security Functions Outside the United States

AGENCY: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Proposed rule.

SUMMARY: The DoD, GSA, and NASA are proposing to amend the Federal Acquisition Regulation (FAR) to implement Governmentwide requirements in National Defense Authorization Acts that establish minimum processes and requirements for the selection, accountability, training, equipping, and conduct of personnel performing private security functions outside the United States.

DATES: Interested parties should submit written comments to the Regulatory Secretariat on or before September 21, 2012 to be considered in the formulation of a final rule.

ADDRESSES: Submit comments identified by FAR case 2011-029 by any of the following methods:

- *Regulations.gov:* <http://www.regulations.gov>.

Submit comments via the Federal eRulemaking portal by searching for "FAR Case 2011-029" under the heading "Comment or Submission". Select the link "Send a Comment or Submission" that corresponds with FAR Case 2011-029. Follow the instructions provided to complete the "Public Comment and Submission Form". Please include your name, company name (if any), and "FAR Case 2011-029" on your attached document.

- *Fax:* 202-501-4067.
- *Mail:* General Services Administration, Regulatory Secretariat (MVCB), Attn: Hada Flowers, 1275 First

Street NE., 7th Floor, Washington, DC 20417.

Instructions: Please submit comments only and cite FAR case 2011-029 in all correspondence related to this case. All comments received will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided.

FOR FURTHER INFORMATION CONTACT: Mr. Michael O. Jackson, Procurement Analyst, at 202-208-4949 for clarification of content. For information pertaining to status or publication schedules, contact the Regulatory Secretariat at 202-501-4755. Please cite FAR case 2011-029.

SUPPLEMENTARY INFORMATION:

I. Background

The National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2008 (Pub. L. 110-181, enacted January 28, 2008), section 862, entitled "Contractors Performing Private Security Functions in Areas of Combat Operations," was amended by section 853 of the NDAA for FY 2009 (Pub. L. 110-417, enacted October 14, 2008) and sections 831 and 832 of the NDAA for FY 2011 (Pub. L. 111-383, enacted January 7, 2011). See 10 U.S.C. 2302 Note. The statute requires (1) the establishment of Governmentwide policies and (2) FAR coverage implementing the Governmentwide policies specified in the statutes and the resulting Governmentwide policy document.

This proposed rule is focused solely on providing implementing contractual language and a contract clause, as mandated by statute. Agencies are reminded that they may further supplement the applicability of these requirements beyond those included in this rule in accordance with FAR subpart 1.3, Agency Acquisition Regulations. While section 862 of the 2008 NDAA required standardization of rules for private security contractors that are performing in designated areas of combat operations or other significant military operations, the underlying Governmentwide instruction was the responsibility of the Secretary of Defense, in coordination with the Secretary of State. The resultant regulation was published as a final rule at 32 CFR part 159, entitled "Private Security Contractors Operating in Contingency Operations, Combat Operations or Other Significant Military Operations," on August 11, 2011 (see 76 FR 49650) (or, see the corresponding Department of Defense Instruction (DoDI) 3020.50 at <http://www.dtic.mil/whs/directives/corres/pdf/302050p.pdf>).