I. Background

On March 12, 2008, EPA promulgated a revised 8-hour ozone NAAQS of 0.075 parts per million (ppm). See 73 FR 16436 (March 27, 2008). Under EPA’s regulations at 40 CFR 50.15, the 2008 8-hour ozone NAAQS is attained when the 3-year average of the annual fourth-highest daily maximum 8-hour average ambient air quality ozone concentrations is less than or equal to 0.075 ppm. Ambient air quality monitoring data for the 3-year period must meet a data completeness requirement. The ambient air quality monitoring data completeness requirement is met when the average percent of days with valid ambient monitoring data is greater than 90 percent, and no single year has less than 75 percent data completeness as determined in appendix I of part 50.

Upon promulgation of a new or revised NAAQS, the CAA requires EPA to designate as nonattainment any area that is violating the NAAQS based on the three most recent years of ambient air quality data at the conclusion of the designation process. As part of the designations process for the 2008 8-hour ozone NAAQS, the Cincinnati-Hamilton, OH–KY–IN Area was designated as a marginal ozone nonattainment area, effective July 20, 2012. See 77 FR 39088 (May 21, 2012). On March 6, 2015, EPA issued a final rule entitled, “Implementation of the 2008 National Ambient Air Quality Standards for Ozone: State Implementation Plan Requirements” (SIP Requirements Rule), which establishes the requirements that state, tribal, and local air quality management agencies must meet as they develop implementation plans for areas where air quality exceeds the 2008 8-hour ozone NAAQS.1 See 80 FR 12264. Areas

---

1 The SIP Requirements Rule addresses a range of nonattainment area SIP requirements for the 2008 8-hour ozone NAAQS, including requirements pertaining to attainment demonstrations, reasonable further progress (RFP), reasonably available control technology, reasonably available control measures, major new source review, emission inventories, and the timing of SIP submissions and of compliance with emission control measures in the SIP. The Rule also revokes the 1997 8-hour ozone NAAQS and establishes anti-backsliding requirements.
that were designated as marginal ozone nonattainment areas were required to attain the 2008 8-hour ozone NAAQS no later than July 20, 2015 (3 years after the effective date of designation). See 40 CFR 51.1103.

Based on the nonattainment designation for the 2008 8-hour ozone standard, Kentucky was required to develop a SIP revision addressing certain CAA requirements for the Kentucky portion of the Area. On August 26, 2016, the Commonwealth of Kentucky submitted a SIP revision addressing, among other things, NNSR requirements for the 2008 8-hour ozone NAAQS for the Kentucky Area. EPA’s analysis of how this SIP revision addresses the NNSR requirements for the 2008 8-hour ozone NAAQS is provided below.

II. Analysis of Kentucky’s Nonattainment New Source Review Requirements

The minimum SIP requirements for NNSR permitting programs for the 2008 8-hour ozone NAAQS are located in 40 CFR 51.165. See 40 CFR 51.1114. These NNSR program requirements include those promulgated in the “Phase 2 Rule” implementing the 1997 8-hour ozone NAAQS (70 FR 71612) and the SIP Requirements Rule for implementing the 2008 8-hour ozone NAAQS (80 FR 12264). Under the Phase 2 Rule, the SIP for each ozone nonattainment area must contain nonattainment NSR provisions that: Set major source thresholds for nitrogen oxides (NOx) and volatile organic compounds (VOC) pursuant to 40 CFR 51.165(a)(1)(iv)(A)(1)(i)–(iv) and (a)(1)(iv)(A)(2); classify physical changes as a major source if the change would constitute a major source by itself pursuant to 40 CFR 51.165(a)(1)(iv)(A)(3); consider any significant net emissions increase of NOx as a significant net emissions increase for ozone pursuant to 40 CFR 51.165(a)(1)(v)(E); consider certain increases of VOC emissions in extreme ozone nonattainment areas as a significant net emissions increase and a major modification for ozone pursuant to 40 CFR 51.165(a)(1)(v)(F); set significant emissions rates for VOC and NOx as ozone precursors pursuant to 40 CFR 51.165(a)(1)(x)(A)–(C) and (E); contain provisions for emissions reductions credits pursuant to 40 CFR 51.165(a)(3)(ii)(C)(1) and (2); provide that the requirements applicable to VOC also apply to NOx pursuant to 40 CFR 51.165(a)(8); and set offset ratios for VOC and NOx pursuant to 40 CFR 51.165(a)(9)(i)–(iii) (renumbered as (a)(9)(i)–(iv) under the SIP Requirements Rule for the 2008 8-hour ozone NAAQS). Under the SIP Requirements Rule for the 2008 8-hour ozone NAAQS, the SIP for each ozone nonattainment area designated nonattainment for the 2008 8-hour ozone NAAQS and designated nonattainment for the 1997 8-hour ozone NAAQS on April 6, 2015, must also contain NNSR provisions that include the anti-backsliding requirements at 40 CFR 51.1105. See 40 CFR 51.165(a)(12).

Kentucky has a longstanding and fully implemented NNSR program (found at 401 Kentucky Administrative Regulation (KAR) 51:052) that establishes all permitting requirements for the construction or modification of major stationary sources located within, or impacting, areas designated as nonattainment. EPA last approved revisions to the SIP-approved version of Kentucky’s NNSR rule on September 15, 2010. These revisions, submitted to EPA in a February 5, 2010 SIP revision, addressed the NNSR requirements in the Phase 2 Rule for the 1997 8-hour ozone NAAQS. In approving the revisions to Kentucky’s NNSR rule, EPA found the revisions to be in accordance with the changes in the federal NSR program for the 1997 8-hour ozone NAAQS. See 75 FR 55988. Kentucky’s August 26, 2016 SIP revision, the Commonwealth states that its NNSR program is applicable to the 2008 8-hour ozone NAAQS and cites to the program as containing acceptable provisions to provide for new source review in the Kentucky portion of the Area.

In the version of 401 KAR 52:052 that is contained in the current SIP has not changed since the 2010 rulemaking. This version of the rule covers the Kentucky portion of the Area and is adequate to meet all applicable NNSR requirements for the 2008 8-hour ozone NAAQS. The Phase 2 requirements for 8-hour ozone nonattainment areas classified as serious or above remain inapplicable because the Area is classified as a marginal nonattainment area for the 2008 8-hour NAAQS, and the anti-backsliding requirements added in the SIP Requirements Rule for implementing the 2008 8-hour ozone NAAQS are inapplicable because the Kentucky portion of the Area was redesignated to attainment for the 1997 8-hour ozone NAAQS in 2010.4 As stated above, the anti-backsliding requirements for NNSR in the SIP Requirements Rule only apply to areas designated nonattainment for the 2008 8-hour ozone NAAQS and designated nonattainment for the 1997 8-hour ozone NAAQS on April 6, 2015.

III. Final Action

EPA is approving the portion of Kentucky’s August 26, 2016, SIP revision addressing the NNSR requirements for the 2008 8-hour ozone NAAQS for the Kentucky portion of the Cincinnati-Hamilton, OH–KY–IN Area. EPA has concluded that the Commonwealth’s submission fulfills the 40 CFR 51.1114 revision requirement and meets the requirements of CAA section 110 and the minimum SIP requirements of 40 CFR 51.165.

EPA is publishing this rule without prior proposal because the Agency views this as a noncontroversial submittal and anticipates no adverse comments. However, in the proposed rules section of this Federal Register publication, EPA is publishing a separate document that will serve as the proposal to approve the SIP revision should adverse comments be filed. This rule will be effective June 9, 2017 without further notice unless the Agency receives adverse comments by May 10, 2017.

If EPA receives such comments, then EPA will publish a document withdrawing the final rule and informing the public that the rule will not take effect. All public comments received will then be addressed in a subsequent final rule based on the proposed rule. EPA will not institute a second comment period. Parties interested in commenting should do so at this time. If no such comments are received, the public is advised that this rule will be effective on June 9, 2017 and no further action will be taken on the proposed rule.

---

2 On May 4, 2016 (81 FR 26697), EPA published its determination that the Area had attained the 2008 8-hour ozone NAAQS by the attainment deadline. However, an attainment determination is not equivalent to a redesignation under CAA section 107(d)(3). The Area will remain nonattainment for the 2008 8-hour ozone NAAQS and subject to the NNSR requirements for that NAAQS until such time as EPA determines that the Area meets the requirements for redesignation to attainment.

4 See 75 FR 47218 (August 5, 2010). The 1997 8-hour ozone NAAQS was revoked with the 2008 8-hour ozone NAAQS SIP Requirements Rule, and as discussed above, the anti-backsliding requirements for the 1997 8-hour ozone NAAQS only apply for areas that were nonattainment for the 1997 standard on the effective date of the revocation (April 6, 2015). See 80 FR 12264 (March 6, 2015).
IV. 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. See 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 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 action:

• Is not a significant regulatory action subject to review by the Office of Management and Budget under Executive Orders 12866 (58 FR 51735, October 4, 1993) and 13563 (76 FR 3821, January 21, 2011);
• 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).

The SIP is not approved to apply on any Indian reservation land or in any other area where EPA or an Indian tribe has demonstrated that a tribe has jurisdiction. In those areas of Indian country, the rule does not have tribal implications as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), nor will it impose substantial direct costs on tribal governments or preempt tribal law.

The Congressional Review Act, 5 U.S.C. 801 et seq., as added by the Small Business Regulatory Enforcement Fairness Act of 1996, generally provides that before a rule may take effect, the agency promulgating the rule must submit a rule report, which includes a copy of the rule, to each House of the Congress and to the Comptroller General of the United States. EPA will submit a report containing this action and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to publication of the rule in the Federal Register. A major rule cannot take effect until 60 days after it is published in the Federal Register. This action is not a “major rule” as defined by 5 U.S.C. 804(2).

Under section 307(b)(1) of the CAA, petitions for judicial review of this action must be filed in the United States Court of Appeals for the appropriate circuit by June 9, 2017. Filing a petition for reconsideration by the Administrator of this final rule does not affect the finality of this action for the purposes of judicial review nor does it extend the time within which a petition for judicial review may be filed, and shall not postpone the effectiveness of such rule or action. Parties with objections to this direct final rule are encouraged to file a comment in response to the parallel notice of proposed rulemaking for this action published in the proposed rules section of this Federal Register, rather than file an immediate petition for judicial review of this direct final rule, so that EPA can withdraw this direct final rule and address the comment in the proposed rulemaking. This action may not be challenged later in proceedings to enforce its requirements. See section 307(b)(2).

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Nitrogen dioxide, Ozone, Reporting and recordkeeping requirements, Volatile organic compounds.


V. Anne Heard,
Acting Regional Administrator, Region 4.

40 CFR part 52 is amended as follows:

PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

■ 1. The authority citation for part 52 continues to read as follows:

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

Subpart S—Kentucky

■ 2. Section 52.920(e) is amended by adding an entry for “2008 8-hour ozone NAAQS Nonattainment New Source Review Requirements for the Kentucky Portion of the Cincinnati-Hamilton OH–KY–IN Area” at the end of the table to read as follows:

§ 52.920 Identification of plan.
  * * * * *
  (e) * * * *

EPA-APPROVED KENTUCKY NON-REGULATORY PROVISIONS

<table>
<thead>
<tr>
<th>Name of non-regulatory SIP provision</th>
<th>Applicable geographic or non-attainment area</th>
<th>State submittal date/effective date</th>
<th>EPA approval date</th>
<th>Explanations</th>
</tr>
</thead>
</table>
ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

Air Plan Approval; Michigan; Transportation Conformity Procedures

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: The Environmental Protection Agency (EPA) is approving a State Implementation Plan (SIP) revision for carbon monoxide (CO) and particulate matter (PM) submitted by the State of Michigan on October 3, 2016. The purpose of this revision is to establish transportation conformity criteria and procedures related to interagency consultation, and enforceability of certain transportation related control and mitigation measures.

DATES: This direct final rule is effective June 9, 2017, unless EPA receives adverse comments by May 10, 2017. If adverse comments are received, EPA will publish a timely withdrawal of the direct final rule in the Federal Register informing the public that the rule will not take effect.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA–R05–OAR–2016–0705 at http://www.regulations.gov or via email to blakley.pamela@epa.gov. For comments submitted at Regulations.gov, follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from Regulations.gov. For either manner of submission, EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. EPA will generally not consider comments or comment contents located outside of the primary submission (i.e. on the web, cloud, or other file sharing system). For additional submission methods, please contact the person identified in the FOR FURTHER INFORMATION CONTACT section. For the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit http://www2.epa.gov/dockets/commenting–epa–dockets.

FOR FURTHER INFORMATION CONTACT: Michael Leslie, Environmental Engineer, Control Strategies Section, Air Programs Branch (AR 181), Environmental Protection Agency, Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604, (312) 353–6680, leslie.michaela@epa.gov.

SUPPLEMENTARY INFORMATION:
Throughout this document whenever “we,” “us,” or “our” is used, we mean EPA. This supplementary information section is arranged as follows:
I. What is the background for this action?
II. What is EPA's analysis of Michigan's SIP revision?
III. What action is EPA taking?

I. What is the background for this action?

Transportation conformity is required under section 176(c) of the Clean Air Act (Act) to ensure that transportation planning activities are consistent with (“conform to”) air quality planning goals in nonattainment/maintenance areas. The transportation conformity regulation is found in 40 CFR part 93 and provisions related to transportation conformity SIPs are found in 40 CFR 51.390. Transportation conformity applies to areas that are designated nonattainment or maintenance for the transportation related criteria pollutants listed in 40 CFR 93.102(b)(1). Michigan currently has maintenance areas for CO and PM.

EPA originally promulgated the Federal transportation conformity criteria and procedures (“Transportation Conformity Rule”) on November 24, 1993 (58 FR 62188). On August 10, 2005, the “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users” (SAFETEA–LU) was signed into law. SAFETEA–LU revised section 176(c) of the Act transportation conformity requirements. SAFETEA–LU streamlined the requirements for conformity SIPs. Under SAFETEA–LU, States are required to address and tailor only three sections of the rules in their conformity SIPs: 40 CFR 93.105, 40 CFR 93.122(a)(4)(ii), and 40 CFR 93.125(c). 40 CFR 93.105 addresses consultation procedures for conformity. 40 CFR 93.122(a)(4)(ii) and 40 CFR 93.125(c), addresses written commitments from project implementers of transportation control measures. In general, states are no longer required to submit conformity SIP revisions that address the other sections of the conformity rule.

II. What is EPA’s analysis of Michigan’s SIP revision?

A conformity SIP can be adopted as a state rule, as a memorandum of understanding, or a memorandum of agreement (MOA). The appropriate form of the state conformity procedures depends upon the requirements of local or State law, as long as the selected form complies with all requirements used by the Act for adoption, submission to EPA, and implementation of SIPs. EPA will accept state conformity SIPs in any form provided the state can demonstrate to EPA’s satisfaction that, as a matter of state law, the state has adequate authority to compel compliance with the requirements of the conformity SIP.

Michigan concluded that this SIP revision in the form of a MOA will be enforceable through a number of Michigan statutes. These statutes authorize state agencies to enter into legally binding cooperative contracts for the receipt or furnishing of services. In this case, these services relate to the transportation/air quality planning process in Michigan. Michigan collaborated with the Michigan Department of Transportation (MDOT), the EPA, the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), and the Southeast Michigan Council of Governments, to develop the Transportation Conformity MOA. This MOA was agreed upon and signed by all of the above consultation parties.

EPA has evaluated this SIP submission and finds that the state has addressed the requirements of the Federal transportation conformity rule as described in 40 CFR 51.390 and 40 CFR part 93, subpart A. The transportation conformity rule requires the states to develop their own processes and procedures for interagency consultation and resolution of conflicts meeting the criteria in 40 CFR 93.105. The SIP revision includes processes and procedures to be followed by the Metropolitan Planning Organization (MPO), MDOT, the FHWA and the FTA, in consultation with the state and local air quality agencies and EPA before making transportation conformity determinations. Michigan’s transportation conformity SIP also included processes and procedures for the state and local air quality agencies and EPA to coordinate the development of applicable SIPs with the MPOs, the state Department of Transportation (DOT), and the U.S. DOT, and requires written commitments to control measures and mitigation measures (40 CFR 93.122(a)(4)(ii) and 93.125(c)).