

The State of Indiana has demonstrated in its submittal of November 17, 1993, that the predicted growth in VMT in Lake and Porter Counties, Indiana, is not expected to result in a growth in motor vehicle emissions that will negate the effects of the reductions mandated by the Act. Further, Indiana has projected motor vehicle emissions to the year 2007 and, using the most current socioeconomic data, has not predicted an upturn in motor vehicle emissions. In the event that the projected socioeconomic data and associated VMT grow more rapidly than currently predicted, Indiana is required by Section 182(c)(5) to track actual VMT starting with 1996 and every three years thereafter to demonstrate that the actual VMT is equal to or less than the projected VMT. TCMs will be required to offset VMT that is above the projected levels (section 182(c)(5)).

The VMT offset submittal from Indiana dated November 17, 1993, contains the final report "TCMs to Offset Emissions from VMT Growth in Northwestern Indiana." The report used the most current socioeconomic data and the travel network model in conjunction with the MOBILE5a to estimate mobile source emissions to the attainment year of 2007.

This report also documents the progress Indiana has made in evaluating TCMs to reduce growth in VMT and thus reduce emissions. Indiana may choose to take credit for TCM emission reductions as part of the post-1996 RFP requirement or to meet the attainment requirement. Not only has Indiana evaluated the effectiveness and predicted impact of a number of TCMs, but actual implementation of selected TCMs has been ongoing. Several examples are cited in the proposed rule.

These specific TCMs, however, are not a part of the current SIP revision request and are not a required portion of this SIP revision. Thus, Indiana is not currently taking credit for the emission reductions from these TCM measures and the State is not bound to implement or continue to implement any specific TCMs. These measures, however, illustrate Indiana's work in evaluating and implementing TCMs to meet the goals of the Act. Also, the TCMs may be used in subsequent SIP submittals as necessary to meet the post 1996 RFP requirement or the attainment requirement.

Indiana submitted a 15 percent RFP SIP for northwest Indiana to the USEPA in November 1993, but the submittal was found incomplete in a letter dated January 25, 1994. The RFP SIP lacked enforceable regulations and a public

hearing. The public hearing was held on March 29, 1994.

On June 26, 1995, Indiana submitted an updated 15 percent SIP which contained all enforceable regulations. Indiana's submitted 15 percent SIP was found complete by the USEPA in a letter dated July 7, 1995. The submittal details the adopted enforceable regulations that have been submitted to support the 15 percent RFP demonstration. The SIP submission contains a menu of adopted emissions reductions measures that the State believes will achieve the 15 percent reduction requirement by November 15, 1996. Also, Indiana is moving forward with implementation of the 15 percent measures including the enhanced inspection and maintenance program. In the submission, Indiana does not rely upon TCMs in order to satisfy the 15 percent reduction requirement. Rather, the majority of the reduction would be obtained from stationary source shutdowns and the enhanced inspection and maintenance program. Indiana believes that TCMs will not be necessary to attain the 15 percent reduction requirement.

The attainment demonstration and post-1996 RFP plans, were submitted on December 5, 1994, and became complete by operation of law under 110(k)(1)(B) on June 5, 1995. Indiana is planning to use the Phase I and II approach to submission of the attainment demonstration and post-1996 RFP as described in the March 2, 1995, memorandum from Mary Nichols. The USEPA is reserving action on the third element of the VMT Offset SIP until such time as the phase I and II attainment submittals are complete.

Indiana has met the first and second elements of the VMT offset SIP requirements of section 182(d)(1)(A). Regarding the first element, Indiana has identified and evaluated TCMs to reduce VMT, and has shown that VMT growth will not result in a growth of motor vehicle emissions that will negate the effects of the reductions required under the Act and that there will not be an upturn of motor vehicle emissions. Regarding the second element, Indiana has submitted a complete 15 percent SIP that does not rely upon TCMs to make its proffered showing that the 15 percent reduction will be achieved.

Consequently, USEPA does not believe it is necessary to delay taking action on this second element of the VMT SIP, and that the Agency can at this point rely upon Indiana's submitted 15 percent SIP to make a judgment that TCM's will not be necessary to satisfy the second VMT SIP element. However, if in evaluating the 15 percent SIP for approval it is determined that Indiana

would in fact have to implement TCMs to meet the 15 percent RFP requirement, and a subsequent submission of a revised 15 percent SIP is required, EPA would have to reevaluate its approval of the second element of the VMT SIP.

The third requirement is for Indiana to use TCMs as necessary to attain the standard. This third requirement will be submitted with the attainment demonstration SIP and will be addressed in a future **Federal Register** notice.

III. Public Comments

On November 2, 1994, the USEPA proposed to approve the first and second elements of the Indiana VMT Offset SIP and requested public comment. The public comment period closed on December 2, 1994, and the Natural Resources Defense Council (NRDC) submitted comments on December 2, 1994. The following summarizes NRDC's comments and USEPA's response to these comments:

Comment 1: The Act requires TCMs to offset emissions resulting from all growth in VMT above 1990 levels, and USEPA is required by the Act to ensure emission reductions despite an increase in VMT. The legislative history states that "[t]he baseline for determining whether there has been a growth in emissions due to increased VMT is the level of vehicle emissions that would occur if VMT held constant in the area." See H.Rep. No. 101-490, Part I, 101st Cong., 2nd Sess. at 242, and S.Rep. No. 101-228, 101st Cong., 1st Sess. at 44.

Response: As discussed in the General Preamble, USEPA believes that section 182(d)(1)(A) of the Act requires the State to "offset any growth in emissions" from growth in VMT but not, as suggested by the comment, all emissions resulting from VMT growth (see 57 FR 13498, 13522-13523, April 16, 1992). The purpose is to prevent a growth in motor vehicle emissions from canceling out the emission reduction benefits of the federally mandated programs in the Act. The baseline for emissions is the 1990 level of vehicle emissions and the subsequent reductions in emission levels required to reach attainment. Thus, the anticipated benefits from the mandated measures such as the Federal motor vehicle pollution control program, lower Reid vapor pressure, enhanced inspection and maintenance and all other motor vehicle emission control programs are included in the ceiling line calculation used by Indiana in the VMT Offset SIP. Table 13 in the Indiana SIP submittal demonstrates how motor vehicle emissions will decline substantially from 136.63 tons per day (tpd) in 1990 to 25.04 tpd in 2007 and