without discount where certain distance and direction criteria were met. For example, EPA would approve a State OMTR that allowed trades without discounting for distance and direction where the rule included the following criteria. Regarding distance, the generator and user sources should be within either 200 km or 2 days transport of each other. The transport criterion should be determined by examining the average wind speed which occurs on days with ozone exceedances near the user source. In all cases, the direction of the prevailing wind near the generator source and the user source should be within a ± 22.5 degree sector of a straight line between the two sources. Average wind speed and prevailing wind direction should be based on data from National Weather Service stations near both the generator and user sources. The prevailing direction and average speed should be calculated over the period 7 a.m. to 7 p.m. This period captures the time of day when emissions are typically highest, as well as to include the portion of the day when surface wind measurements are most representative of overall transport within the mixed layer. In calculating the prevailing wind direction, one could include those days with exceedances near the user source during the years used for classification of the nonattainment area. As an alternative, one could base the direction calculation upon all days in the ''ozone season'' for any year used for classification purposes in the area of the user source. For distances or directions which extended beyond these criteria, EPA believes that discounting may be necessary.

In general, EPA encourages States to propose their own geographic requirements based on the characteristics of their areas. The model OMTR would contain generic restrictions that States could modify to more appropriately meet their air quality objectives. The EPA is committed to working with States in creating the most beneficial geographic restrictions for their specific areas.

b. Interpollutant Trading. Interpollutant trades are defined as trades that occur between the two classes of ozone precursor pollutants, VOC and NO_X. The available scientific and modeling information suggests both positive aspects and risks with an interpollutant trading program. Certain trades have the potential to be complementary, leading to greater reductions in ozone than would otherwise occur (e.g., a facility sells NO_X DER's to a buyer who operates a VOC source in a rural area within the Northeast Ozone Transport Region). Others, however, may be counterproductive. For example, if a modeling analysis in the SIP identified a specific geographical area as an area where VOC reductions were needed and NO_X reductions were not helpful over a local or regional scale, then a reduction in NO_X emissions in that area should not be exchanged for required reductions in any other area. Since EPA cannot account for all possible site-specific cases where interpollutant trading is beneficial, the proposed model OMTR would not include interpollutant trading.

States are nevertheless encouraged to submit as variations on the model OMTR, rules of their own that would permit interpollutant trading if adequate prior analyses had been performed which indicated that the nature of trades meeting specific criteria was consistent with expected lower ozone concentrations. These prior analyses might be performed by the State(s) or by others in support of one or more SIP's. Although a user could perform modeling analyses to support each proposed use of specific DER's, this would not be required. In general, interpollutant trading rules should encourage excess VOC emission reductions in geographic locations where ozone is limited by available VOC or encourage excess NO_X emission reductions in locations where ozone is limited by available NO_X. In the event a user and generator were in different States, review responsibility should be consistent with the policy on interstate trades. Where such interpollutant trades were permitted by States, the applicable rule should address distance and direction considerations as they applied to allowable interpollutant trades. The EPA would expeditiously review any such variations.

c. Seasonal Restrictions. Whereas DER's generated in the ozone season might be traded to meet emissions requirements either during or outside the ozone season, DER's generated in the non-ozone season could be used only to meet non-ozone season emissions requirements. Using DER's during the ozone season that were generated outside the ozone season should not be allowed since such uses clearly would run counter to programs designed to attain or maintain the ozone standard and to meet ROP requirements. Ozone season reductions are the only ones effective in reducing peak ozone concentrations and are needed then. Thus, the rule would not allow DER's generated during a time outside of the ozone season to be used to comply with any air quality obligations during the ozone season.

The time of year in which areas experience ozone concentrations above the standard varies with location. In general, areas with greater intensity of sunlight will experience longer ozone seasons. Thus, southern areas tend to have longer ozone seasons than northern areas of the country. The EPA has defined the ozone season for each State at 40 CFR part 58, Appendix D. The purpose of this definition is to set the time of year during which States must monitor ozone concentrations. Ozone violations are not expected to occur outside the defined ozone season.

4. Prohibited DER Uses

The proposed model OMTR prohibits several uses of DER's for a variety of statutory and policy reasons. The following sections explain the rationale for each specific prohibition, and where appropriate, seek comment on specific issues relating to the prohibition. In general, EPA requests comment on any DER use that would be expressly prohibited by the proposed model OMTR. Comments that explain in detail how EPA could allow the prohibited uses given the language in the Act and the rationale for current EPA policies would be particularly helpful.

a. Compliance With Certain Mobile Source Requirements. The EPA believes that compliance with national mobile source programs (i.e., national exhaust and evaporative emission standards for cars, trucks, and nonroad equipment under sections 202 and 213 of the Act, plus any national fuel standards under section 211 of the Act) cannot be avoided through the use of DER's generated by other control measures. Some of these national mobile source control programs have internal averaging, banking and trading provisions, and EPA is currently examining whether more flexibility can be built into them. However, the statutory provisions by their terms appear to preclude compliance through DER's generated from other sources. In addition, using DER's generated outside of these programs (e.g., between different mobile source programs) would be inappropriate in instances where reductions associated with these programs occur nationally, and stationary and area source DER's generated in a specific region would be used to increase emissions nationally. The EPA is currently considering whether DER's generated regionally can be credited toward meeting same-source national requirements within a specific program (e.g., a scrapped outboard engine could create a DER in the national marine engine average standard structure).