Pend Oreille County

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April 7, 2017

Kalispel Tribe of Indians
Attn: Air Quality Comments
PO Box 39
Usk, WA 99180-0039

RE: Class I Redesignation Request

Dear Chairman Nenema:

Thank you for sending us a copy of the Technical Report prepared in support of a potential application by the Tribe to have your Reservation designated as a Class I area in accordance with the provisions of the Clean Air Act. Pend Oreille County shares your interest in protecting the environment, including the quality of our air, and we are pleased to note in the report that we currently enjoy excellent air quality. We look forward to working with the Tribe in the future to continue our successful efforts. As a result, we are formally requesting a government to government consultation with the Tribe and the Washington State Department of Ecology (ECY) before you submit your redesignation request to the Environmental Protection Agency (EPA). While we have learned a lot in the short time since we were informed of your plans, we still have many questions, and we would like to meet in order to better understand your proposal and how it would be implemented. Given the Department of Ecology's shared interest in maintaining our air quality and their role in permitting future development proposals, we would hope that you would invite them to join in our discussions.

In preparation for our meeting, we have organized our questions and comments regarding the Technical Report into the following categories:

1. Socioeconomic Analysis
2. Air Quality Standards
3. Impacts on Existing Businesses and Operations
4. Implementation

Socioeconomic Analysis

In addition to the environmental health of our community, as elected leaders of all residents in the county, we are also extremely concerned about the economic health of our community. As a county government, we do not have the ability to acquire land or sponsor economic development projects in the Spokane urban area, and as result, we must rely on private investment in our county to generate the tax revenues necessary to maintain essential public services. Unfortunately, the Technical Report fails to address the perilous economic situation that the County faces. Simply stated, the current expense budget of Pend Oreille County is $10,011,382 dollars a year, and our annual revenues are closer to $9 million a year. Over the past four years the County's operating expenses have increased by over thirty percent and our tax revenues have increased by 2.05 percent. This is clearly not a sustainable situation and the County must actively attract new private investment if we are to sustain basic services.

In addition, we are concerned about the impression that the report included in Appendix B to the Technical Study, *The Economic Impact of Redesignation of the Kalispel Indian Reservation as a Class I Area under the Clean Air Act's Prevention of Significant Deterioration Program* (Power, 2017), gives the reader about the economic health of our community. Analyzing the economic impacts through the lens of a three county "Kalispel Reservation Economic Area" does not provide a clear picture of the economic conditions of Pend Oreille County. Spokane County, with nearly a half a million people and major urban center, is 37 times larger than Pend Oreille County, and as a result, the statistics from Spokane County completely dominate the picture when included with statistics from Pend Oreille County. Pend Oreille County is in fact one of the most economically distressed areas in the state with one of the highest unemployment rates and one of the lowest per capita income levels. Unfortunately, we have not experienced "significant economic vitality over the past 45 years" and real incomes in Pend Oreille County have not increased three-fold, jobs have not doubled, and the population has not increased by 80% as described in the Technical Report. In addition, it is important to note that the net labor earnings in 2014 of almost $12.3 billion dollars, the investment income of $4 billion, and the transfer payments of $5 billion dollars that were cited in the report have nothing to do with Pend Oreille County. Furthermore, the assertion in the report that residents of Pend Oreille County can simply commute to Spokane County to work misses an important point, the concentration of jobs in Spokane County only exacerbates regional economic inequities, as it leads to a concentration of tax generating activities in Spokane County and a concentration of a public service demands in Pend Oreille County without the tax base to support it.

We respectfully request that an addendum to the report be added to the Tribe's application that specifically documents the economic conditions in Pend Oreille County, including the loss of timber jobs and the decline of the economic base of our community. We can provide more specific examples of how the Technical Report might give a reader a misimpression of the conditions in Pend Oreille County, and we'd welcome the opportunity to collaborate with the Tribe in preparing an appropriate addendum. Given that Tribal Vice Chair Ray Pierre is the Pend Oreille County Economic Development Council (EDC) Chair, another approach might be for the EDC to prepare the addendum for inclusion in the Tribe's application. Either way, the following link is an excellent source of information specifically about Pend Oreille County and the economic challenges that we face:

https://esd.wa.gov/labormarketinfo/county-profiles/pend-oreille

Air Quality Analysis

Air quality regulations are complex and can be very difficult to understand. While the Technical Report contains a lot of information, in order for us to fully assess the air quality benefits and impacts associated with the effects of a potential Class I redesignation, we respectfully request that the Technical Report be revised or an addendum prepared and included in the Tribe's application that addresses the following:

- The Technical Report does not assess the availability of potential Class I or current Class II increments in the region. How much of the current Class II increment has been used? If the Class I redesignation is approved, how much of the Class I increment has been used or has it already been consumed? Without an understanding of the baseline conditions (before a potential Class I redesignation), it is impossible to determine what impact the Class I redesignation may have on existing facilities or future development proposals.

- The US National Ambient Air Quality Standards (NAAQS) are standards established by the United States Environmental Protection Agency under authority of the Clean Air Act (42 U.S.C. 7401 et seq.) that apply for outdoor air throughout the country. The primary standards are designed to protect human health, with an adequate margin of safety, including sensitive populations such as children, the elderly, and individuals suffering from respiratory diseases. The technical report does not compare the available monitoring data for $PM_{2.5}$ to the NAAQS. We request the report compare the current concentrations, future potential concentrations under the current Class II designation, and future potential concentrations under the proposed Class I redesignation to the applicable NAAQS.

- The report contains an evaluation of two hypothetical energy developments proposed for Deer Park, over 50 km away from the Reservation. A few examples of the same hypothetical energy developments located in Pend Oreille County would also be relevant and insightful and would not be overly burdensome to complete.

- The technical report does not quantitatively assess the effect Class I redesignation would have on the ability of a future development project to obtain the necessary air permits. It would be helpful to know where in Pend Oreille new development would least likely to exceed the Class I increments and where new development would be more likely to result in the Class I increments being exceeded. Screening-level, or refined, dispersion modeling of a few generic development projects in different locations/distances could help provide information on Class I increment consumption.

Impacts on Existing Businesses and Operations

We are particularly concerned about the impacts that the redesignation could have on existing businesses in the County, especially on new investment to modernize their facilities and to expand their operations. We are pleased to read in the Frequently Asked Questions document provided by the Tribe that the redesignation will have no effect on Ponderay Newsprint's current operations. It appears however, that the complexity of the regulations could create opportunities for unintended adverse consequences. We are also concerned about the implementation of the Class I requirements and potential impacts on the County's practice of using sand to maintain safe roads in the winter, the possible closure of unpaved roads to County residents, and restrictions on prescribed burning or other management practices intended to promote the health of our forests.

We respectfully request that the Technical Report be revised or amended to more clearly address:

- Plans to provide regulatory clarity and long-term certainty to heavily capitalized industries that form the economic foundation of the county such as Ponderay Newsprint and Vaagen Brothers.

- Documentation confirming that the Class I requirements will not adversely affect the operations of the Teck Mine in Metaline Falls.

- Whether the Class I redesignation has any direct impact on permits issued to minor sources or for minor modifications to existing major PSD sources?

Implementation

The proposed redesignation of the Reservation as a Class I Area will affect multiple governments, agencies, businesses, and other stakeholders. We believe a more detailed and comprehensive set of plans are needed in order for us to successfully implement and incorporate a new Class I Area. Clean air is a goal we share with the Tribe, but without more details on the proposed implementation, we are concerned that the potential negative effects of redesignation will overwhelm the potential positive effects.

We respectfully request that the Technical Report be revised or amended to more clearly address:

- Implementation: The Technical Report does not discuss how the Tribe will implement the Class I redesignation. Will Class I redesignation be through a Federal Implementation Plan (FIP) administered by the EPA or a Tribal Implementation Plan (TIP)? If Class I redesignation is through a FIP, how will that effect the administration of the Class I area and resolution of potential disagreements?

- Class I Boundary: The Technical Report contains maps of the Reservation and proposed Class I Area. It would be helpful if the Tribe would provide a more detailed map that clearly identifies of all lands that are, and are not, being proposed for Class I status. This would help reduce any uncertainty regarding which lands are proposed for Class I status.

- Coordination with Department of Ecology: The Technical Report does not include any discussions of how the Tribe would work with the Department of Ecology to implement Class I for the Reservation. Department of Ecology is responsible for implementing the Prevention of Significant Deterioration (PSD) program in Washington, of which Class I areas are a significant part. We believe it would be helpful for the Department of Ecology and the Tribe to define and outline in a collaborative manner the roles, responsibilities, process, guidance, and timelines necessary to implement, and assess impacts to, the new Class I Area. Otherwise, there could be significant delays and complications associated with issuing air permits.

- Tribal Resources and Expertise: The Kalispel Natural Resources Department (KNRD) is responsible for historic properties, fisheries, wildlife, water, and other natural resources. The KNRD has a very talented and dedicated staff. However, having Class I status for the Reservation will mean extra responsibilities and time commitments. We would like to have a better understanding of how the Tribe intends to meet these new responsibilities so we can determine how best to coordinate future permitting activities.

- Air Quality Related Values (AQRVs): The Tribe's Technical Report does not include a discussion of AQRVs and our conversations with the Department of Ecology indicate the Tribe does not intend to adopt AQRVs or develop Threshold Effect Levels (TELs) at this time. By not including a discussion of AQRVs or a statement that the Tribe does not intend to adopt AQRVs in the Technical Report, it creates a tremendous amount of uncertainty for existing and future potential facilities as well as permitting agencies. Inadequate implementation of Class I requirements, delayed permitting processes, and unclear compliance requirements are just some of the potential results of the AQRV uncertainty. We suggest that the Tribe's proposed redesignation submittal to EPA contains a statement that the Tribe does not intend to adopt AQRVs in the future or that the AQRVs are identified (and TELs defined) in the submittal. Otherwise, we request the Tribe describe a specific process, including proposed timelines, a process to ensure public and stakeholder input, and methods of dispute resolution for the establishment of future AQRVs (and TELs) in the EPA submittal

In closing, we would like to emphasize our intentions of meeting in good faith with the Tribe and in the ensuing government to government discussions of how best to achieve our mutual interests. We would also like to discuss with the Tribe strategies for making sure that residents and local governments that may be affected by the redesignation, have an opportunity to more fully understand and comment on the proposal. Please feel free to contact Commissioner Mike Manus at 509-671-1434 or our planning consultant Gregg Dohrn at greggdohrn@comcast.net or 206-679-7507 if you have any questions or to set up our meeting.

Sincerely,

PEND OREILLE COUNTY
BOARD OF COMMISSIONERS

R. Cary for Karen Skoog
Karen Skoog, Chair - approved via email message

R. Cary for Stephen Kiss
Stephen Kiss, Vice-Chair - approved telephonically

Mike Manus
Mike Manus, Commissioner