

# ILLINOIS POLLUTION CONTROL BOARD

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STATE OF ILLINOIS  
Pollution Control Board

ORIGINAL

December 9, 2004

Jack Lavin, Director  
Department of Commerce and Economic Opportunity  
620 East Adams Street, S-6  
Springfield, Illinois 62704

Re: Request for Economic Impact Study for: Amendments to 35 Ill. Adm. Code 205, Emissions Reduction Market System, and 35 Ill. Adm. Code 211 (R05-11)

Dear Director Lavin:

The Pollution Control Board (Board) received a rulemaking proposal from the Illinois Environmental Protection Agency (Agency) on November 19, 2004. The Agency seeks to ensure that the Emissions Reduction Market System (ERMS) program remains in place in its current form so as to maintain the required volatile organic material emissions reductions in the Chicago area. The proposed rule would modify the applicability provisions and clarify other related provisions as a result of the June 15, 2005 implementation of the 8-Hour Ozone National Ambient Air Quality Standard and the revocation of the 1-Hour Ozone National Ambient Air Quality Standard by the United States Environmental Protection Agency. The Board has adopted a first notice opinion and order without commenting on the merits of the proposal on December 2, 2004 in order to meet the federal rule change of June 15, 2005. I am writing to request that your Department conduct an economic impact study concerning this proposal.

Since 1998, Section 27 (b) of the Environmental Protection Act has required the Board to:

1) "request that the Department of Commerce and Economic Opportunity (formerly the Department of Commerce and Community Affairs) conduct a study of the economic impact of the proposed rules. The Department may within 30 to 45 days of such request produce a study of the economic impact of the proposed rules. At a minimum, the economic impact study shall address a) economic, environmental, and public health benefits that may be achieved through compliance with the proposed rules, b) the effects of the proposed rules on employment levels, commercial productivity, the economic growth of small businesses with 100 or less employees, and the State's overall economy, and c) the cost per unit of pollution reduced and the variability of company revenues expected to be used to implement the proposed rules; and



## GOVERNOR

Rod R. Blagojevich

## CHAIRMAN

J. Philip Novak

## SPRINGFIELD OFFICE

1021 North Grand Ave. East  
P.O. Box 19274  
Springfield, IL  
62794-9274  
217-524-8500  
FAX 217-524-8508

## CHICAGO OFFICE

James R. Thompson Center  
100 West Randolph  
Suite 11-500  
Chicago, IL 60601  
312-814-3620  
FAX 312-814-3669  
TTY 312-814-6032

## WEB SITE

[www.ipcb.state.il.us](http://www.ipcb.state.il.us)



(2) conduct at least one public hearing on the economic impact of those rules. At least 20 days before the hearing, the Board shall notify the public of the hearing and make the economic impact study, or the Department of Commerce and Economic Opportunity's explanation for not producing an economic impact study, available to the public. Such public hearing may be held simultaneously or as a part of any Board hearing considering such new rules." 415 ILCS 5/27(b) (2002).

The Board is scheduling hearing dates for this rulemaking proposal. I would greatly appreciate a response from you concerning DCEO's position on whether it will perform the economic impact study.

The Board appreciates DCEO's recent timely and considered response to similar requests we have made concerning other pending rulemakings. The Board appreciates that fiscal constraints may prevent DCEO from conducting economic studies in every rulemaking. But, as I have pointed out before, a review of Board rulemaking opinions and orders since then would reveal that the Department's decision not to perform economic impact studies has not been questioned at any Board hearing.

If I, or my staff, can provide you with any additional information, please let me know. While the Board can proceed to hold hearings while awaiting your decision, the Environmental Protection Act does not allow the Board to complete its rulemaking process without your Department's input.

Thank you for your early response.

Sincerely,

  
J. Philip Novak  
Chairman, Pollution Control Board

Cc: Dorothy M. Gunn, Clerk  
Erin Conley, Rules Coordinator