



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

MAY 14 2004

The Honorable Janet Napolitano
Governor of Arizona
1700 West Washington
Phoenix, AZ 85007

THE ADMINISTRATOR

Dear Governor Napolitano:

Thank you for your letter of April 15, 2004, in which you provide key principles that you would like the Environmental Protection Agency (EPA) to address in any proposal to extend the Interstate Air Quality Rule, now known as the Clean Air Interstate Rule or CAIR, to the West to reduce emissions that contribute to regional haze. I very much appreciate the work of the Western Regional Air Partnership (WRAP) in considering the issues associated with an expansion of the CAIR to the West and the speed with which you were able to respond to our request for comment on this issue. As you know, we remain committed to the WRAP and its mission to improve Western air quality.

At this time, we have decided not to propose extending the CAIR to the West. In order to meet our goal of issuing a final CAIR this fall, and secure the health benefits of that rule in nonattainment areas in the East, we are focusing our attention on responding to the comments we have received on the CAIR as proposed in January. I nonetheless continue to believe that there are significant environmental and economic benefits from using a cap-and-trade approach to achieve further emission reductions from power plants in the West. I believe that congressional action on the Clear Skies Act would be the best way of achieving this goal, but I also believe that EPA and the WRAP should continue to explore the option of extending CAIR to the West through future rulemaking. Consequently, we want to continue working in partnership with the WRAP throughout this year to identify necessary components of a regional cap and trade program for the West and help WRAP reach consensus on these elements. We stand ready to meet with you and provide technical assistance as needed as you continue your discussions of this approach.

Again, thank you for your serious consideration of extending the CAIR to the West to improve visibility. If you have further questions, please contact me or Rich McKeown (202-564-9814), or have your staff contact Lydia Wegman in our Office of Air Quality Planning and Standards (919-541-5505).

Sincerely,

A handwritten signature in black ink that reads "Michael O. Levitt". The signature is stylized and cursive.

Michael O. Levitt