

**Testimony of the
State and Territorial Air Pollution Program Administrators
and the
Association of Local Air Pollution Control Officials
presented to the
Senate Appropriations Subcommittee on
VA, HUD, and Independent Agencies
Regarding the
FY 2003 Budget of the U.S. Environmental Protection Agency
April 16, 2002**

The State and Territorial Air Pollution Program Administrators (STAPPA) and the Association of Local Air Pollution Control Officials (ALAPCO) appreciate this opportunity to provide testimony regarding the FY 2003 proposed budget for the U.S. Environmental Protection Agency (EPA), particularly regarding grants to state and local air pollution control agencies under Sections 103 and 105 of the Clean Air Act.

STAPPA and ALAPCO are the national associations representing air quality officials in 54 states and territories and more than 165 metropolitan areas across the United States. Under the Clean Air Act, state and local air quality officials have the primary responsibility for implementing our country's clean air program on behalf of our citizens. We are called upon to address a variety of pollutants and sources that have impacts on public health, including particulate matter, ground-level ozone, toxic air pollution, and acid rain, among others. These agencies must somehow address new and emerging problems while, at the same time, keeping the basic, ongoing elements of the program, which serve as the foundation of our clean air efforts, in good working order.

STAPPA AND ALAPCO'S RECOMMENDATION

The Administration's budget request for FY 2003 calls for \$221.5 million for state and local air agency grants under Sections 103 and 105 of the Clean Air Act, which is the same amount Congress appropriated for FY 2002. This amount is not adequate to support the many activities state and local agencies must undertake – these agencies are currently underfunded and require significant additional resources. We certainly recognize that Congress has the unenviable job of distributing finite resources among a host of worthy programs and activities and that, this year, there are issues related to homeland security and our military activities abroad that pose additional demands on federal funds that did not exist last year. However, we firmly believe the health of our citizens is something that should not be compromised and should be among our highest priorities. Accordingly, we are requesting an increase of \$25 million above the President's request for federal grants to state and local air agencies, which is actually only a fraction of the additional funds that these agencies would require to fully fund their programs.

THE MAGNITUDE OF THE AIR POLLUTION PROBLEM

Air pollution presents a pervasive national public health and environmental threat. The health risks from air pollution are significant and far exceed those from almost every other environmental medium. Air quality regulators have been working diligently for years in their

pursuit of healthful air quality. In spite of our efforts to date, however, over 160 million tons of pollution are emitted into the air annually in the United States, according to EPA data. In fact, EPA estimates that 121 million people live in areas where the air is unhealthy due to levels of the six “criteria” pollutants. This startling figure does not even account for those toxic substances known under the Clean Air Act as “hazardous air pollutants,” which will be discussed below.

One of the criteria pollutants – ground-level ozone or “smog” – poses a vexing problem. In certain regions of this country, ozone levels have actually increased in the past decade. In fact, in 29 of our national parks – where the American public presumably goes to enjoy our nation’s unspoiled beauty – the average ozone levels increased by over 4 percent during that time. Partly to blame for the ozone problem are emissions of nitrogen oxides, or NO_x, which are emitted principally by diesel vehicles, non-road engines and power plants. Emissions of NO_x have *increased* nearly 20 percent since 1970.

Of all the criteria pollutants, however, fine particulate matter may pose one of the most worrisome challenges. While we are still collecting the first three-years’ worth of data to determine which areas of the country will meet the health-based standards for fine particulate matter – or PM_{2.5} – two years of data for most of the nation indicate that many areas in the Southwest, Midwest, Mid-Atlantic and California could have air quality exceeding the standard.

We are also learning more about the devastating health effects of fine particulates, causing thousands of premature deaths each year. A recent study related to particulate matter – largely funded by the National Institutes of Health/National Institute of Environmental Health Sciences – has found that there is an increased risk of dying from lung cancer associated with long-term exposure to fine particles from power plants, factories and automobiles in many metropolitan areas of the country. The study characterizes that risk as similar to that of nonsmokers exposed to second-hand smoke over a long period of time. The study concluded that higher levels of fine particulate matter are associated with a significant risk of cancer.

Another type of air pollution that also has links to cancer, as well as to other health problems, is toxic or hazardous air pollution (HAPs). EPA has recently completed the 1996 National-Scale Air Toxics Assessment (NATA) of 32 common HAPs and is currently working on the next iteration for 1999 data. While the recent NATA information reflects the situation of several years ago, it still provides the best indication we have of the magnitude of the problem. The NATA information indicates that more than 200 million people in this country live in places where the lifetime cancer risk from exposure to the hazardous air pollutants included in the assessment exceeded 10 in one million. That illustrates the pervasive nature of the threat from HAPs and provides some inkling of the level of effort that will be required to reduce the risk.

The health concerns related to exposure to these air pollutants are generally well known: respiratory problems, exacerbation of heart and lung diseases, cancer and others, including, of course, death. Since the average person breathes 3,400 gallons of air every day, clean air is extremely important for good health. Sensitive populations, including children who are still developing and who spend more hours exercising outdoors, the elderly and people with heart and lung ailments, are even more adversely affected by unhealthful air quality.

In addition to human health, air pollution is problematic for ecosystems. According to EPA, ground-level ozone causes reductions in annual agricultural and commercial forest yields that equal over \$500 million. Additionally, emissions of NO_x are one of the largest sources of nitrogen pollution in water bodies such as the Chesapeake Bay.

The magnitude of the air quality problem and the associated health effects make it clear that significantly increased funding for the control of air pollution should be a top priority.

STATE AND LOCAL AIR AGENCIES ARE UNDERFUNDED

State and local governments devote significant resources towards operating air quality programs. In spite of this contribution, state and local air quality agencies have been operating with inadequate financial support for years, making it difficult for us to operate programs that are as robust as they need to be. A study we conducted several years ago, in cooperation with EPA, estimated that federal grants to state and local air pollution control agencies under Section 105 of the Clean Air Act fell short of our needs by nearly \$100 million each year. While we have received modest increases in recent years, for which we are tremendously grateful, they are simply not enough. Unless we receive a substantial increase, we will continue to face a serious funding shortfall, which will adversely affect our ability to protect and enhance air quality. This shortfall will only become worse as greater demands are placed on our programs.

There is an additional problem in the proposed FY 2003 budget that exacerbates the funding shortage. Not only does the request *not* include an increase over the amount appropriated in FY 2002, EPA's plan for distributing the funds among activities will have the affect of reducing it further. EPA's intention is to redirect \$6.5 million from the implementation of the National Ambient Air Quality Standards (NAAQS) – the criteria pollutants mentioned earlier – to air toxics monitoring. While STAPPA and ALAPCO believe it is very important to gather additional data regarding toxic air pollution, we are strongly opposed to this redirection. There is still a tremendous amount of work to be done to implement the NAAQS. This includes, among other things, activities related to fine particulate matter and the eight-hour ozone standard, which will become increasingly important as these programs move forward. NAAQS-related activities, including attainment and maintenance of the standards, cannot afford to suffer reductions in funding. Further, we have long been concerned about erosions in our base and continuing programs. Without these important activities, which are the foundation of our air program, we cannot hope to reach our goal of healthful air quality. In addition, shifting funds from NAAQS implementation to monitoring (including equipment) may result in state and local agencies having to reduce their staffs, since they will need to decrease their implementation activities and use the funds to purchase monitors and to pay for laboratory analysis. We cannot afford to lose additional staff. We believe the redirection of \$6.5 million, some or all of which may have been used to fund base activities, will further deteriorate our continuing programs.

As stated above, STAPPA and ALAPCO are in favor of additional air toxics monitoring and appreciate EPA's recognition of that need. However, we strongly believe that the addition of such an important activity – to collect quality air toxics data – should be accompanied by additional grants and should not be funded through resources diverted from other extremely important programs that can ill-afford reductions. A new mandate, such as a significant increase in air toxics monitoring, should only be funded through new resources.

To address the problem of inadequate funds we have identified, we recommend that federal grants to state and local air pollution control agencies be increased in FY 2003. While we believe an increase of \$100 million would help our programs tremendously, we recognize that there are many other competing programs also in need of additional funding, especially this year. Therefore, we are requesting an increase of a quarter of that amount – \$25 million.

HOW WOULD ADDITIONAL FUNDS BE SPENT?

STAPPA and ALAPCO recently surveyed their members to gather information about funding priorities for state and local air pollution control programs. The survey provides valuable information about what state and local agencies consider to be their highest priorities and how they would spend increased federal grant funds. We would be happy to supply you with a copy of the complete results of this survey.

Among the activities that state and local agencies identified as those on which they would spend increased grant funds are those addressing hazardous air pollutants; compliance, fine particulate matter, especially diesel particulates; inspections; monitoring; improvements in data, including maintaining and improving infrastructures, emission inventories and modeling; haze and visibility monitoring; and outreach and education for the public and regulated community.

Not surprisingly, the activities identified as state and local agencies' highest priorities included many of those for which they need additional funding. Those programs and activities listed as state and local agencies' highest priorities included compliance, inspections and monitoring; efforts to address hazardous air pollution; development and implementation of State Implementation Plans to address criteria pollutants; data needs, including maintaining and improving infrastructures, inventories and modeling; and programs to inform the public, including outreach, education, and complaint response.

The need for additional grants for state and local air agencies is very great. As the list above illustrates, there are many critical activities that are currently underfunded – activities that are the foundation of our air quality program. Without additional federal grants, and the flexibility to target them to the activities that are most appropriate in individual states and communities, state and local air agencies will find it increasingly difficult to obtain and maintain healthful air quality.

ENFORCEMENT GRANTS

The President's budget request includes a \$15-million state enforcement grant program, which we support. We are pleased to see evidence of the Administration's commitment to state enforcement activities. However, we believe EPA should continue to have a strong enforcement program and, accordingly, we are concerned that the funds for this effort appear to be diverted from EPA's own enforcement budget. While we recognize that the funds were formerly earmarked for approximately 112 full-time positions that have not been filled, we are concerned about these funds being eliminated from EPA's enforcement program for the future. We recommend, instead, that EPA retain these funds to either fill the positions or devote to other,

worthwhile agency enforcement activities and that Congress appropriate *additional* funds to support the state enforcement grant program.

STAPPA and ALAPCO are also concerned that EPA's proposal for this grant program may not include local air pollution control agencies among those entities eligible to compete directly for enforcement grant funds. Since Section 302 of the Clean Air Act specifically includes local air pollution control agencies in its definition of "air pollution control agency", we believe these agencies should be permitted to apply directly to EPA for enforcement grants and receive these awards directly. This is especially important because some local agencies have primary enforcement responsibility for stationary sources.

EPA'S BUDGET

State and local agencies are a strong and pivotal piece of our nation's air quality program. They have gathered exceptional knowledge, skill and expertise during the years of operating their programs. Indeed, some state and local air agencies have a longer history than even EPA. Because of their familiarity with their local communities, they are ideally placed to design programs that address their areas' specific needs. However, in spite of their contributions and abilities, state and local agencies cannot do the job alone. A strong and effective EPA that is adequately funded to carry out its responsibilities is not only helpful to us, it is essential. For example, state and local agencies believe EPA should have increased funding to address fine particulate matter through such important activities as retrofitting school buses.

In the survey described earlier, STAPPA/ALAPCO asked state and local air agencies to identify the types of support, information or other tools that they need from EPA to effectively operate their programs. Among the contributions and activities that state and local agencies require from EPA are national emission standards (including toxics standards); efforts to control interstate pollution; mobile source (i.e., cars, trucks, etc.) programs; fine particulate control efforts; timely review; health research and risk estimates; modeling; and training.

We urge Congress, as we have in the past, to ensure that EPA is well funded and to consider increases to EPA's budget, rather than decreases. Reductions in EPA's budget and its ability to provide us with the tools we need will adversely affect the ability of state and local air agencies to meet their responsibilities.

CONCLUSION

In conclusion, we recommend significant increases in federal grant funding for state and local air quality agencies under Sections 103 and 105 of the Clean Air Act for FY 2003. Specifically, we request an increase of \$25 million. Additionally, we support the \$15 million enforcement grant program the Administration has requested, but ask that it not be funded through funds diverted from EPA's own budget and that it allow local air quality agencies to apply directly to EPA for grants and receive grants directly from EPA under the program. Finally, we request that Congress adequately fund EPA's budget overall.

Thank you very much for this opportunity to provide you with our testimony. Please contact us if you have questions or require any additional information.