

March 29, 2005

S. WILLIAM BECKER
EXECUTIVE DIRECTOR

Michael Hadrick
Office of Air and Radiation
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Mr. Hadrick:

On behalf of the State and Territorial Air Pollution Program Administrators and the Association of Local Air Pollution Control Officials, thank you for the opportunity to comment on the draft Office of Air and Radiation's National Program and Grant Guidance for FY 2006.

We have specific comments on the draft guidance and allocation but wish to first make a general observation. While we recognize that the proposed budget is a slight increase over the amount that was ultimately appropriated under Sections 103 and 105 for FY 2005, it still falls far short of the amount that is needed for state and local air quality agencies to operate their programs. State and local agencies need increased funding, especially considering the risks that air pollution poses. As we have stated in the past, we know of no other environmental problem that poses a greater risk to public health and the environment. We strongly recommend that EPA provide significant increases in funding in the future.

The draft allocation includes several proposals related to air monitoring funds, which we comment on below. We are dismayed that EPA did not consult with us on these monitoring proposals in advance. Given the importance of grant funds to state and local air agencies, and the fact that Congress appropriates those funds for our use, we believe EPA should discuss these ideas with us prior to proposing them.

PAMS Monitoring Funds

The draft guidance (page A-10) proposes to "redirect" Section 105 grant funds in support of the National Ambient Air Monitoring Strategy by reducing grants for Photochemical Assessment Measurement Stations (PAMS) monitoring by \$500,000 and by taking reductions of \$500,000 made available from decreases in the number of ozone and other monitoring sites. Basically, this would redirect \$1 million of Section 105 grants to support national quality assurance, data analysis and technology transfer

projects in which EPA is interested. We oppose this redirection. We believe the three activities EPA has identified, while important, are EPA's priorities and responsibilities and should be funded with the agency's own budget, rather than redirecting scarce Section 105 grants away from state and local agencies. We request that EPA not withhold these funds off the top of the national allocation.

PM_{2.5} Monitoring Funds

STAPPA/ALAPCO would like to emphasize that the shift of \$3.5 million from the PM_{2.5} monitoring funds to the CASTNet program should be an isolated occurrence, for FY 2006 only. We want to ensure that full funding for PM_{2.5} monitoring will be restored in FY 2007 to the historical level of \$42.5 million.

Air Toxics Monitoring

In the draft (page A-15), EPA is again proposing to allocate a portion of the \$10 million in Section 103 grants for air toxics programs for competitively awarded community-scale air toxics monitoring projects. In several letters and a memorandum (most recently on January 25, 2005), STAPPA and ALAPCO have expressed concerns about the competitive grant process for these air toxics grants and have made recommendations for structuring the program. EPA has not yet responded to our suggestions. We urge the agency to review our previous communications on this subject and make adjustments to the grant guidance accordingly.

Training

The draft allocation includes \$2.125 million for training. This includes the \$1.8 million off-the-top set-aside that the STAPPA/ALAPCO Boards of Directors agreed to several years ago. However, it appears to also include an additional \$325,000 that the Boards of Directors agreed to for FY 2005. Since the STAPPA/ALAPCO Boards of Directors have not met since this allocation was proposed, they have not had an opportunity to discuss their willingness to include any amount above the \$1.8 million. Further, STAPPA/ALAPCO and EPA have not had the opportunity to discuss what EPA's contribution will be to training programs from FY 2006 funds. As you know, EPA is responsible for supporting training programs with the agency's own funds. Since discussions between STAPPA/ALAPCO and EPA must still take place, we will defer comment here on the exact amount of training funds that should be withheld off the top at the national level and will address this issue in the near future.

Regional Distribution

We understand that EPA will generally distribute the funds across the regions as the agency did in FY 2005. We urge the agency to ensure that, to the extent possible, no region suffers a decrease. Further, we recommend that EPA take steps to ensure that every state and direct-funded local agency will receive at least as much in Section 105 funding as it did in FY 2005.

Since funding has not increased, we are pleased that EPA is retaining the same general funding distribution as in the past. However, we believe it is very important that EPA develop an updated regional allocation formula for Section 105 grants that can be used when there are significant increases in funds.

Flexibility

We recommend that the grant guidance explicitly provide state and local air agencies with flexibility to use the grant funds for those activities the agencies believe are of the highest priority and will result in the greatest public health and environmental benefit. This will allow state and local air agencies to tailor the grant expenditures to the areas of greatest need.

Withholding Grant Funds

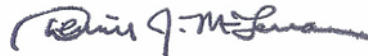
As you know, grant funds should not be withheld off the top at the national or regional levels without the concurrence of state and local agencies. Therefore, the final guidance should not include any set-asides to which we have not concurred. Further we believe the final document should include specific instructions to the EPA Regional Offices that Section 105 grant funds may not be withheld unless the funded activities or programs benefit state and local agencies and are the responsibility of state and local air agencies, and only if state and local agencies have concurred in the use of Section 105 funds for the activities or programs. These criteria should apply at the regional as well as at the national level. Moreover, regional offices should not take grant funds "off-the-top" unless the criteria are met.

Thank you again for this opportunity to provide our input. Please contact us if we can provide additional information.

Sincerely,



Nancy L. Seidman
President of STAPPA



Dennis J. McLerran
President of ALAPCO

cc: Jerry Kurtzweg, EPA-OAR
William Houck, EPA-OAR
Tanya H. Mottley, EPA-OCFO