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S. William Becker

March 2, 2007

The Honorable Barbara Boxer
Chairman
Senate Environment and Public
Works Committee
Washington, DC 20510

The Honorable James M. Inhofe
Ranking Member
Senate Environment and Public
Works Committee
Washington, DC 20510

Dear Senators Boxer and Inhofe:

On behalf of the National Association of Clean Air Agencies (NACAA), I am writing to express concern about the President's proposed budget for FY 2008, specifically with respect to federal grant funding for state and local air quality agencies in the U.S. Environmental Protection Agency's (EPA's) budget, and the distribution of FY 2007 funds for these programs. NACAA is the national association of clean air agencies in 54 states and territories and over 165 metropolitan areas across the country. The Clean Air Act gives these agencies the primary responsibility for implementing our country's clean air program. Federal grants provide essential resources to support the efforts of state and local air agencies to obtain and maintain air quality and protect public health. These programs are extremely important in light of the fact that tens of thousands of people die each year as a result of air pollution and millions more are exposed to unhealthful levels of a variety of air contaminants.

The President's recommended budget for FY 2008 calls for significant reductions in grants to state and local air quality agencies – cuts of \$35.1 million (nearly 16 percent) from FY 2006 and expected FY 2007 levels. These cuts come at a time when air quality agencies, which are already underfunded, need additional resources, not budget reductions, in order to meet their responsibilities to the public. Such decreases will have a damaging impact on their ability to protect air quality and public health in this country. NACAA recommends that grants within the State and Tribal Assistance Grant program for state and local air agencies under Sections 103 and 105 of the Clean Air Act be increased in FY 2008 by \$25 million above FY 2006 and expected FY 2007 levels, for a total of \$245.3 million (an increase of \$60 million above the FY 2008 request).

NACAA has just completed an analysis of the impacts of the proposed FY 2008 budget cuts, which we are providing you along with this letter. The severity of the cuts is so substantial that, in many cases, state and local air agencies would have to lay off existing personnel and/or not fill empty positions. Many agencies would have to cease operating existing monitors or otherwise curtail their monitoring programs. The reductions would impair their ability to inspect sources and carry out enforcement activities, making clean air requirements less effective. Additionally, permits for smaller sources will take longer to process and customer service will diminish. The cuts could seriously impair the ability of some agencies to prepare new plans for implementing ozone and fine particulate matter standards. Finally, some smaller agencies might even have to close operations entirely, posing a terrible loss for those local areas. Overall, these reductions in our programs would be extremely detrimental to our efforts to reduce air pollution and maintain the improvements that our country has already worked so hard to achieve.

The cuts would be further exacerbated by the proposal to shift grants in the particulate matter monitoring program from Section 103 authority (which does not require a 40-percent match from state and local recipients) to Section 105 authority. Under the budget proposal, state and local agencies would need to supply additional funds in order to accept the federal grants. Some agencies do not currently have additional resources for the match and could be forced to turn away some much-needed grant funds.

I urge you to review our analysis to learn about the very real adverse effects the proposed FY 2008 reductions would have on state and local efforts to protect public health. The information I am providing will make it clear that increases – rather than cuts – are necessary for these programs. Also, you may wish to review a report NACAA prepared last year when similar reductions were proposed, which provides state-by-state accounts of the serious impacts of such deep cuts. The report, entitled, *Impact of Proposed FY 2007 Budget Cuts on State and Local Air Quality Agencies* (March 14, 2006), is available on NACAA's web site at www.4cleanair.org/StateandLocalExamplesofImpactsofCuts.pdf.

Finally, we are also concerned about the distribution of FY 2007 appropriations for State and Tribal Assistance Grants. While we understand that the FY 2007 appropriation is equal to the FY 2006 level overall, we urge you to make clear to EPA that the amount the agency provides to state and local air quality agency grants in FY 2007 should be equal to the amount appropriated and allocated in FY 2006 for these important air quality programs – \$220.3 million.

Thank you for your attention to these important issues. Please do not hesitate to contact NACAA if we can provide additional information.

Sincerely,

A handwritten signature in black ink, consisting of a stylized initial 'S' followed by a long horizontal line extending to the right.

S. William Becker

Attachment