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May 19, 2009

Mr. Jerry Kurtzweg
Director
Office of Program Management Operations
Office of Air and Radiation
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

Dear Jerry:

On behalf of the National Association of Clean Air Agencies (NACAA), thank you for soliciting our input on EPA's proposed options for allocating the additional FY 2009 grant funds that Congress appropriated for state and local air pollution control agencies. We have comments on several aspects of the proposed allocation.

Direct Section 105 Funds to Regions – The FY 2009 appropriation includes \$2,644,464 above the amount Congress appropriated in FY 2008 that will be provided directly to the regions to be distributed to state and local air agencies. You asked for our comments on two proposed options for allocating those funds: Option A would distribute the funds to the regions in the same proportion as in FY 2008 and Option B would target the additional funds to those regions that would receive increases under the updated methodology for allocating federal air quality grants that EPA has been developing. In an effort to recognize that the existing allocation methodology is outdated, but to be sensitive to the fact that discussion over how best to implement the new methodology has just begun, NACAA is recommending a compromise. NACAA suggests that one half of the funds (\$1,322,232) be distributed to the regions in the same proportion as previous direct grants have been allocated (consistent with Option A) and the other half (\$1,322,232) be distributed in accordance with the updated methodology for allocating grant funds that EPA has developed and shared with us, using the best data EPA has at this time as inputs for the new formula (note that this is not the same as Option B).

We recognize that discussions about how to implement the new allocation methodology must continue between EPA and NACAA representatives. Our recommendation to allocate one-half of the small increase in FY 2009 Section 105 funds according to the new formula should not be construed as an endorsement of

the methodology and updated formula. We look forward to productive discussions about the best way to implement them in the future, including significant funding increases to ensure that no region suffers a decrease.

Lead Monitoring – EPA is proposing to earmark \$2.5 million in FY 2009 for lead monitoring, to be allocated to the regions for distribution to state and local air pollution control agencies. The grants are currently intended to be funded under Section 105 authority (requiring matching funds). NACAA strongly recommends that the lead monitoring grants be provided under Section 103 authority because Section 103 is designed to fund, among other things, the establishment of monitoring networks. Additionally, Section 103 does not require state or local agencies to provide matching funds, which will be a problem for many of our members, especially because it is so far into the fiscal year already.

Regional Planning Organizations (RPOs) – EPA has not earmarked Section 105 funds for RPOs in FY 2009. NACAA believes that the work of the RPOs continues to be of critical importance and that much of the work of the RPOs would cost more if it had to be carried out separately by individual state and local air agencies. Therefore, we strongly recommend that EPA provide continuing federal funding for the RPOs and would like to discuss this further with respect to FY 2010 and beyond. If additional federal funding in FY 2009 is not forthcoming, we recommend that state and local agencies be permitted to withhold a portion of their grant funds at the regional level to fund their respective RPOs.

Thank you again for this opportunity to provide you with our comments on FY 2009 grants. Please let us know if you have any questions.

Sincerely,



Andrew Ginsburg
Oregon
Co-Chair
NACAA Program Funding Committee



Bruce Andersen
Kansas City, Kansas
Co-Chair
NACAA Program Funding Committee

cc: William Houck