

August 11, 2009

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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 this opportunity to comment on "Addendum No. 1" to the EPA Office of Air and Radiation's FY 2010 National Program and Grant Guidance (dated June 23, 2009). This addendum contains specific grant amounts and augments the information contained in the earlier National Program and Grant Guidance issued on April 28, 2009.

State and local air pollution control agencies have received insufficient federal grant funds for many years. Not only have federal funding levels remained relatively stagnant, but over the past 15 years federal grants for state and local air quality agencies under Section 105 have actually decreased by approximately one-third in terms of purchasing power, due to inflation. These reductions in buying power have come at the same time as demands on our programs have increased significantly. This tension between funding and increasing responsibilities has adversely affected our ability to carry out strategies and measures to improve and protect air quality and public health.

It appears that in FY 2010, federal grants, once again, will not be significantly increased. This makes it more essential than ever for states and localities to maximize the grants we will receive from the federal government and ensure that they are used for the most essential activities and programs. While there are many tasks worthy of our consideration, during these times of scarce resources it is necessary for us to make some difficult choices and to curtail funding for some efforts that are worthwhile but perhaps not as critical as others.

We have reviewed "Table A-6 – Preliminary FY 2010 State/Local Air Grant Allocation" of the addendum and have identified several items for which we recommend changes. For the following two items, we do not believe EPA

has adequately justified the existence of these programs at a time of severely limited funds. We recommend that the funds that have been set aside for them instead be added to the base funds and allocated to the regions according to the usual formula for base grants.

- Energy Facility Air Quality Analysis (\$3,900,000) – This is the second year of this program and its purpose and the basis on which the funds are allocated among the regions are still not evident to us.
- Community-Scale Air Toxics Monitoring (\$2,500,000) – While air toxics monitoring is useful, we do not believe this competitive grant program is more critical than other activities state and local agencies are undertaking. If the funds are put into the base, state and local agencies may still use them for air toxics monitoring activities.

The following are line items that we believe are clearly the federal government’s responsibility and should *not* be supported by state and local air grants. These are national-level activities, conducted for national purposes, and it is EPA’s obligation to fund them. Therefore, the funds set aside from state and local air grants (totaling \$10,371,286) should be moved into the base funds and allocated to the regions according to the usual formula, and these activities should be supported by EPA’s own budget.

<u>Activity</u>	<u>Amount</u>
NO _x Trading	\$2,327,550
National Performance Audit Program	\$454,080
PM _{2.5} Monitoring Associated Program Support – Headquarters	\$3,477,232
NATTS Monitoring Associated Program Support – Headquarters	\$900,000
Lead Monitoring Associated Program Support – Headquarters	\$398,970
Training	\$1,995,000
National Procurement	\$818,454

With respect to the program for School Air Toxics Monitoring, we note that EPA Administrator Lisa Jackson promised that EPA would consult with NACAA regarding additional monitoring and control strategies before moving this program into the next phase. We remain very interested in having these discussions with the agency before the program progresses further.

With respect to monitoring, we observe that the PM_{2.5} monitoring program has been funded under Section 103 and this arrangement has worked very well in the past. We believe these to be the types of activities that Section 103 was intended to address. NACAA recommends that it continue not only for PM_{2.5} monitoring but that new and expanded monitoring efforts to address lead, nitrogen dioxide, the secondary ozone standards (three new rural ozone monitors for vegetation impacts per state proposed), and air toxics be funded under Section 103 as well. Section 105 calls for state and local air agencies to provide a 40-percent match, while Section 103 does not have this requirement. Not all air pollution control agencies are in a position to increase their matching grants. Those that cannot would be unable to accept the grants for these important ongoing, expanded or new monitoring programs. Since these are

nationwide monitoring efforts, NACAA believes the funding should be provided under Section 103 so it can be available for all, regardless of the ability to match the grants.

Thank you for your consideration of our recommendations. Please do not hesitate to contact us if you require additional information.

Sincerely,



Colleen Cripps
Nevada
NACAA Co-President



Arturo J. Blanco
Houston, Texas
NACAA Co-President

cc: Gina McCarthy
William Houck