

**Testimony of S. William Becker
Executive Director
National Association of Clean Air Agencies
Provided to the Senate Appropriations Committee
Subcommittee on Interior, Environment, and Related Agencies
Regarding the FY 2017 Budget for the U.S. Environmental Protection Agency
April 11, 2016**

On behalf of the National Association of Clean Air Agencies (NACAA), thank you for this opportunity to provide testimony on the FY 2017 proposed budget for the United States Environmental Protection Agency (EPA), particularly grants to state and local air pollution control agencies under Sections 103 and 105 of the Clean Air Act, which are part of the State and Tribal Assistance Grant (STAG) program. Specifically, NACAA makes three requests of Congress: (1) state and local air pollution control agencies should be provided with federal grants in the amount of the President's request – \$268.2 million – which is an increase of \$40 million over FY 2016 levels; (2) the \$40-million increase should not be earmarked for any particular activity (e.g., climate change); rather, agencies should be given the flexibility to use the additional resources on the highest-priority activities in their areas; and (3) grant funds for fine particulate matter (PM_{2.5}) monitoring should remain under Section 103 authority, rather than being shifted to Section 105 authority, as EPA is proposing.

NACAA is a national, non-partisan, non-profit association of air pollution control agencies in 40 states, the District of Columbia, four territories and 116 metropolitan areas. The members of NACAA have the primary responsibility under the Clean Air Act for implementing our nation's clean air program. The air quality professionals in our member agencies have vast experience dedicated to improving air quality in the United States. These observations and recommendations are based upon that experience. The views expressed in this testimony do not necessarily represent the positions of every state and local air pollution control agency in the country.

Air Pollution Is Still a Serious Problem in the United States

Air pollution continues to be a significant public health concern. Every year tens of thousands of people die prematurely as a result of breathing polluted air. Millions are exposed to unhealthful levels of air contaminants, which results in many health problems, such as cancer and damage to respiratory, cardiovascular, neurological and reproductive systems.¹ The evidence of adverse health impacts continues to mount. For example, in October 2013, the International Agency for Research on Cancer (IARC) of the World Health Organization classified outdoor air pollution as carcinogenic to humans. The IARC evaluated particulate matter separately and also classified it as a human carcinogen.²

¹ *FY 2014-2018 EPA Strategic Plan* (April 10, 2014), page 8

² https://www.iarc.fr/en/media-centre/iarcnews/pdf/pr221_E.pdf

The programs that federal, state and local agencies have undertaken to address air pollution under the Clean Air Act have been hugely successful. For example, EPA data show that between 2003 and 2014, population-weighted ambient concentrations have declined by 29 percent for PM_{2.5} and 18 percent for ozone.³

In spite of these strides, significant problems still exist, posing threats to public health and welfare. According to EPA, in 2014 approximately 57 million people in this country lived in counties that exceeded one or more of the federal health-based air pollution standards.⁴ With respect to hazardous air pollutants (HAPs), the newly released data from EPA's National Air Toxics Assessment (NATA) indicate that in 2011 "all 285 million people in the U.S. ha[d] an increased cancer risk of greater than 10 in one million," while one-half million people have an increased risk of cancer of over 100 in a million, due to exposure to the HAPs included in the NATA analysis.⁵

The task Congress faces of balancing many competing needs is daunting. However, we doubt any of the issues this Subcommittee addresses pose more of a public health problem than that of air pollution. This body has the chance to take aim at this critical public health and welfare problem by providing additional federal grants to those fighting on the front lines – state and local air quality agencies.

The Proposed Increase is Needed Even without the Clean Power Plan Requirements

The proposed budget for FY 2017 calls for an increase of \$40 million in grants for state and local air quality agencies, for a total of \$268.2 million. The \$40-million increase was originally intended to include \$25 million for implementation of the Clean Power Plan (CPP) and \$15 million for what we consider to be "core" activities, such as ongoing and day-to-day elements of our programs. As you know, after the budget was proposed, the Supreme Court stayed the CPP (February 9, 2016) so many state and local agencies' obligations related to this program will not be required during FY 2017. However, we nevertheless urge Congress to provide the full \$40-million increase to state and local air agencies because our needs are far greater than the total proposed additional grants could address, even without the requirements of the CPP. Moreover, if given flexibility on how the additional funds are used, state and local air agencies can target the resources to address the issues that are most pressing to their communities.

State and Local Agencies Programs Face Significant Deficits

State and local air pollution control agencies have done their best to operate with insufficient resources for many years, but it has been a struggle. State and local air programs face an annual shortfall of \$550 million in federal grants,⁶ which has caused many of these

³ *FY 2017 EPA Budget in Brief* (February 2016), page 14

⁴ *FY 2017 EPA Budget in Brief* (February 2016), page 14

⁵ <http://www.epa.gov/national-air-toxics-assessment/2011-nata-assessment-results>

⁶ *Investing in Clean Air and Public Health: A Needs Survey of State and Local Air Pollution Control Agencies*, (April 2009), NACAA, www.4cleanair.org/Documents/reportneedssurvey042709.pdf

agencies to reduce or eliminate important air pollution programs, postpone necessary air monitoring expenditures and even reduce their workforces. In light of economic hardships, states and localities increasingly rely on federal grants provided by the Clean Air Act.

The Clean Air Act's Section 105 authorizes federal grants to cover up to 60 percent of the cost of state and local air programs and requires states and localities to contribute a 40-percent match. In reality, however, state and local air agencies provide over 75 percent of their budgets (not including permit fees under the federal Title V program). Exacerbating the situation is the fact that federal grants have decreased by nearly 17 percent in purchasing power since 2000 due to inflation.

State and local air quality programs carry out a host of essential activities to attain and maintain healthful air quality. These include ongoing, day-to-day responsibilities that constitute the foundation or core of our programs, as well as additional efforts designed to address new problems and changing regulatory requirements. While the list of our responsibilities is too lengthy to include in this brief testimony, just a few examples for FY 2017 include continued implementation of the health-based national ambient air quality standards (NAAQS) for multiple pollutants; development and/or revision of State Implementation Plans (SIPs) for the ozone, PM_{2.5} and sulfur dioxide standards; implementation of air toxics standards, including revisions to Maximum Achievable Control Technology (MACT) standards resulting from Risk and Technology Review updates; and implementation of control measures related to visibility and regional haze.

These tasks require many resource- and labor-intensive activities including, among other things, air quality planning; compiling comprehensive emission inventories; carrying out complex modeling; analyzing extensive data; adopting regulations; inspecting facilities and enforcing regulations; addressing complicated transport issues; issuing minor source permits; and informing and involving the public in air quality decisions and issues.

A major responsibility that state and local agencies face relates to air quality monitoring. This piece of our program is critical for determining the extent and location of air quality problems and assessing the efficacy of our programs. As in previous years, our monitoring program in FY 2017 will call for ongoing monitoring as well as revisions to address new and changing requirements. Additionally, it has become obvious that one result of the financial crises of recent years is the postponement of necessary activities related to essential upkeep and maintenance for state and local air monitoring networks. Moreover, the loss of monitoring staff has hampered the program significantly. Simply stated, our monitoring program is in dire need of additional funds for essential infrastructure investments and additional personnel.

I have articulated just some of the difficult fiscal issues facing state and local air pollution control agencies in order to emphasize how important it is for Congress to provide these agencies with the \$40-million increase included in the Administration's request, even without the requirements of the CPP, and to also allow state and local agencies the flexibility to spend the funds on the highest priority activities in their areas.

NACAA Recommends that Monitoring Grants Remain Under Section 103 Authority

As in previous years, the Administration's request proposes to begin to shift the PM_{2.5} monitoring grant program from Section 103 authority to Section 105 authority. When funds are provided under Section 103, no state or local matching funds are needed, while Section 105 grants call for matching funds. We request that these funds remain under Section 103 authority. There are some state and local air quality agencies that are unable to provide additional matching funds. If the program is shifted to Section 105 authority, these agencies could have to refuse critical monitoring grants because they are unable to afford the required match. We have made this recommendation in previous years and state and local air quality agencies are very appreciative that Congress has been agreeable to our request in the past.

NACAA Supports Resources for the "Climate Infrastructure Fund"

NACAA supports the proposed "Climate Infrastructure Fund," which includes \$1.65 billion over 10 years to, among other things, retrofit, replace or repower diesel equipment, especially school buses. It is critically important that diesel emissions be reduced and this program will support important efforts to address this problem.

NACAA Supports Diesel Emission Reduction Act (DERA) Funds

NACAA is pleased that the proposed budget includes funding for the Diesel Emission Reduction Act (DERA) program (\$10 million). Diesel pollution poses significant threats to public health and the DERA program is an important effort to address emissions from the large legacy fleet of diesel engines. We are concerned that in FY 2016 it appears that the DERA program was increased above the President's request at the expense of the Section 103/105 grants and we strongly urge that any future funding for DERA not be in lieu of increases to state and local air grants.

Conclusion

In summary, NACAA supports the Administration's proposal to provide \$268.2 million in grants to state and local air pollution control agencies under Sections 103 and 105 of the Clean Air Act for FY 2017, which is an increase of \$40 million above FY 2016. NACAA also asks that Congress not "earmark" these funds for specific activities and instead provide state and local air pollution control agencies with the flexibility to use the additional resources on the highest priority activities in their areas. Finally, NACAA requests that that grants for PM_{2.5} monitoring remain under Section 103 authority, rather than being shifted to Section 105 authority.

Thank you for this opportunity to provide testimony on these critically important issues and for your consideration of the funding needs of state and local air quality programs.