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S. William Becker

March 22, 2016

Marc Vincent  
Office of the Chief Financial Officer  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

Dear Mr. Vincent:

On behalf of the National Association of Clean Air Agencies (NACAA), thank you for this opportunity to provide comments on the U.S. Environmental Protection Agency's (EPA) Draft *FY 2017 Exceptions-Based Addendums to the FY 2016-2017 National Program Manager (NPM) Guidances* (February 19, 2016). 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 air quality professionals in our member agencies have vast experience dedicated to improving air quality in the United States. These comments are based upon that experience. The views expressed in this document do not necessarily represent the positions of every state and local air pollution control agency in the country.

The draft guidance documents relate to the FY 2017 Administration request, which includes an increase of \$40 million in federal funding for state and local air pollution control grants under Sections 103 and 105 of the Clean Air Act (for a total of \$268.2 million). NACAA appreciates the proposed increases since state and local agencies need significant additional federal funding. While the President's request is specifically intended for certain activities (e.g., implementation of the Clean Power Plan, which the Supreme Court recently stayed), NACAA recommends that state and local air agencies be given as much flexibility as possible with respect to how they spend the \$40 million increase. It is important that state and local air agencies have the ability to use the additional funds for the highest priority activities in their areas, including, but not limited to, new and expanded activities and ongoing core programs.

We also support 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 has reviewed the draft guidances and is providing comments on the attached template that EPA has provided. We thank you for your consideration of our comments and recommendations and look forward to discussing these issues with you. Please do not hesitate to contact us if you need additional information.

Sincerely,



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



William Allison  
Colorado  
Co-Chair  
NACAA Program Funding Committee

cc: Daniel Hopkins (EPA)  
Beth Burchard (EPA)  
Dan Murphy (EPA)

**COMMENTS OF THE NATIONAL ASSOCIATION OF CLEAN AIR AGENCIES (NACAA)  
ON EPA'S DRAFT FY 2017 ADDENDUM TO THE NATIONAL PROGRAM MANAGER GUIDANCE  
March 22, 2016**

**Instructions:**

Comment from State, Tribe, or Other Stakeholder	Commenter(s)	Location in FY 2016-2017 NPM Guidance	NPM Response
<i>Issue Area – Please refer to the specific “Issue Area” identified in the Key Changes section of the Addendum (e.g., NAAQS, Toxics Release Inventory Program, Water Quality Standards, etc.):</i>			
<i>Include your comment.</i>	<i>Name and Organization of Commenter (e.g., ECOS, tribe, etc.).</i>	<i>State the section and page number the comment is referring to.</i>	<i>The response should include adequate discussion and details to support the decision to modify/retain the draft language. Note: If more than one commenter raises the same issue, please cross-reference the individual responses.</i>

**Template:**

Comment from State, Tribe, or Other Stakeholder	Commenter(s)	Location in FY 2016-2017 NPM Guidance	NPM Response
<i>Issue Area:</i>			
<i>Introduction:</i> NACAA is pleased that EPA acknowledges that there will not be sufficient resources for all activities and that priorities may vary throughout the nation. We support EPA’s plan to work with state and local air agencies “to adjust resources to meet changing priorities” and to work collaboratively with state and local air agencies to resolve planning issues.	<i>National Association of Clean Air Agencies (NACAA)</i>	<i>OAR Page 3 (Intro)</i>	
EPA is proposing to begin shifting funding for the fine particulate matter (PM <sub>2.5</sub> ) monitoring network from Section 103 to Section 105 authority, which would require state and local agencies to provide matching funds. The PM <sub>2.5</sub> monitoring program has been funded under Section 103 and this arrangement has worked very well. NACAA recommends that it continue and, therefore, we oppose the transition of the program to Section 105 authority. The proposed shift would require state and local agencies to provide a 40-percent match, which not all agencies can afford. Those agencies that are unable to provide matching funds would not be able to accept the grants for these	<i>National Association of Clean Air Agencies (NACAA)</i>		

Comment from State, Tribe, or Other Stakeholder	Commenter(s)	Location in FY 2016-2017 NPM Guidance	NPM Response
<p>important monitoring programs. As a result, these agencies could be forced to discontinue required monitoring at existing sites. Since these are nationwide monitoring efforts, NACAA believes the funding should be provided under Section 103 authority so it is accessible to all, regardless of their ability to match the grants.</p>			
<p><i>Effective Use and Distribution of STAG Funds:</i>  NACAA is pleased that the Administration’s FY 2017 budget includes an increase of \$40 million in grants to state and local air quality grants over FY 2016 levels (for a total of \$268.2 million). This request includes \$25 million specifically for climate change activities and \$15 million for other continuing state and local air quality implementation activities. It also calls for \$1.65 billion over 10 years for a “Climate Infrastructure Fund” to, among other things, retrofit, replace or repower diesel equipment, especially school buses.</p> <p>NACAA appreciates the proposed increases since state and local air quality agencies are in need of significant additional federal funding. While the President’s request is specifically intended for certain activities, NACAA recommends that state and local air agencies be given as much flexibility as possible with respect to how they spend the \$40 million increase. It is important that state and local air agencies have the ability to use the additional funds for the highest priority activities in their areas, including, but not limited to, new and expanded activities and ongoing core programs.</p> <p>We also support 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.</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>OAR App. B, Page 7-8 (Effective Use and Distribution of STAG Funds)</i></p>	
<p><i>DERA:</i>  NACAA is pleased that the President’s budget request called for \$10 million in funding for the Diesel Emission Reduction Act (DERA) program. This is an important program to address emissions from the large legacy fleet of diesel engines. We appreciate that the President’s budget request did not fund DERA 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. Additionally, since many of the DERA funds are not provided to state and local governments, we recommend that future DERA activities not be funded through the STAG account. Instead, we suggest that the grants be provided through one of EPA’s other accounts.</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>		

Comment from State, Tribe, or Other Stakeholder	Commenter(s)	Location in FY 2016-2017 NPM Guidance	NPM Response
<p><i>Ambient Monitoring for Criteria Pollutants, Appendix B:</i> The document includes the following: “Establish and begin operating Phase 3 Near-road monitoring stations that are due by January 1, 2017 in CBSAs between 500K and 1M population, if appropriate based on analysis of the data from Phase 1 and 2.” EPA’s regulatory agenda and EPA staff have stated that the agency will issue a proposed rulemaking to eliminate Phase 3. If so, the document should be updated to reflect this change.</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>OAR App. B Page 16 (Ambient Monitoring for Criteria Pollutants)</i></p>	
<p><i>National Ambient Air Quality Standards:</i> Under HQ Activities (Guidance/Rulemaking), NACAA is pleased that EPA includes, “In consultation with air agencies, develop any rulemaking(s) and additional guidance for implementing any potentially revised ozone NAAQS.” We believe such consultation is imperative and encourage EPA to commit to initiating it at the outset of the rulemaking (or guidance) development process. Further, we cannot overstate how critically important it is for EPA to provide final implementation rules and guidance for all NAAQS in a timely manner and, specifically, in a time frame that provides state and local air agencies sufficient opportunity to successfully meet their deadlines.</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>OAR Citation from last year’s draft guidance: Page 5 (National Ambient Air Quality Standards)</i></p>	
<p><i>Mobile Source Programs:</i> Under HQ Activities, NACAA recommends adding the following activity: “Begin immediately to develop a new rulemaking to achieve very substantial additional reduction in oxides of nitrogen from heavy-duty vehicles and engines.”</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>OAR Citation from last year’s guidance: Page 20 (Program Guidance: Mobile Source Programs)</i></p>	
<p><i>Mobile Source Programs:</i> Under HQ Activities, NACAA recommends adding the following to activity #7: “Work with international organizations to develop GHG and criteria pollutant control programs for ocean-going vessels and aviation, <u>and, as necessary, develop and promulgate more rigorous U.S. programs.</u>” (additional language underlined).</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>OAR Citation from last year’s guidance: Page 20 (Program Guidance: Mobile Source Programs)</i></p>	