

March 23, 2015

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S. William Becker

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) *FY 2016-2017 Draft OAR National Program Manager Guidance* (February 23, 2015) and the *FY 2016-2017 Draft OECA National Program Manager Guidance* (February 19, 2015). NACAA is a national, non-partisan, non-profit association of air pollution control agencies in 41 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The draft guidance documents relate to the President's budget request for FY 2016, which, among other things, proposes to increase federal funding for state and local air quality grants by \$40 million over FY 2015 levels (for a total of \$268.2 million). This request includes \$25 million to implement the Clean Power Plan and \$15 million for other continuing state and local air quality implementation activities. It also calls for a \$4 billion "Clean Power State incentive Fund" that would support states that wish to go beyond the Clean Power Plan program.

NACAA is very appreciative of the proposed increases, which will provide much-needed financial assistance to agencies as they begin developing their implementation plans to address EPA's Clean Power Plan and continue to administer their core clean air programs under the Clean Air Act. While the request is divided into \$25 million for climate work and \$15 for core programs, we instead recommend flexibility to state and local air agencies with respect to how they spend the \$40 million increase. In this way, state and local air agencies could use the additional funds for the highest priority activities in their areas, including, but not limited to, climate-related or core programs.

NACAA is also pleased by the recommended \$4-billion Clean Power State Incentive Fund contained in the President's request because it will assist states and localities that wish to achieve additional and quicker reductions in greenhouse gas emissions.

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 we 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: Margaret Walters (EPA-OAR)  
cc: Maureen Lydon (EPA-OECA)

**COMMENTS OF THE NATIONAL ASSOCIATION OF CLEAN AIR AGENCIES (NACAA)  
ON EPA'S DRAFT FY 2016-2017 NATIONAL PROGRAM MANAGER GUIDANCE  
March 23, 2015**

**Instructions:**

Comment from State, Tribe, or Other Stakeholder	Commenter(s)	Location in Draft Addendum	NPM Response	Action Taken in Final Addendum
<b>Issue Area - Divide comments into general issue areas (e.g., NAAQS, indoor air, etc., where appropriate):</b>				
<i>Include your comment.</i>	<i>Organization of Commenter (e.g., ECOS, New England Commissioners, tribe, etc.).</i>	<i>State the section 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>	<i>Specify changes made in response to comments and identify the page number in the final Addendum.</i>

**Template:**

Comment from State, Tribe, or Other Stakeholder	Commenter(s)	Location in Draft Addendum	NPM Response	Action Taken in Final Addendum
<b>Issue Area:</b>				
<b>COMMENTS ON OAR NPM</b>				
<p><i>Overview:</i> NACAA is pleased with the new structure of the draft overview and guidance. We commend EPA for moving to a two-year document, which allows for greater long-range planning.</p> <p>We commend EPA for acknowledging that the guidance is merely the basis for negotiations among EPA and state and local air agencies. Since state and local air agencies have a great deal of expertise, we believe EPA should engage them as co-regulators in consistent and meaningful ways, especially early on, when the agency initiates the development of rules, guidance and other policies and processes.</p>	National Association of Clean Air Agencies (NACAA)	OAR Page 3-4 (Overview)		

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<p>NACAA is also 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 allow regions to tailor work expectations and resource allocations to meet local circumstances, and work with air agencies to do likewise. We recommend that the guidance state that identification of priorities within a region should be done collaboratively among federal, state and local air officials. Additionally, we welcome EPA's recognition that circumstances may change during the course of a year and that the agency should work with air agencies to make adjustments to address changing priorities.</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 note that NACAA has commented to EPA, in comments on the proposed ozone NAAQS, that any final ozone NAAQS revision be accompanied by the proposed implementation rule (i.e., in October 2015 – the court-ordered deadline for final EPA action on the ozone NAAQS review) and that the final implementation rule be promulgated no later than one year after that.</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>OAR Page 5 (National Ambient Air Quality Standards)</i></p>		
<p><i>National Ambient Air Quality Standards:</i> Under HQ Activities (Other), NACAA commends EPA for including continuing efforts to implement the January 2014 <i>NACAA-ECOS-EPA SIP Reform Workgroup Commitments and Best Practices for Addressing the SIP Backlog</i>. This process envisions EPA clearing the existing SIP backlog (as of October 1, 2013) by no later than the end of 2017, and managing the review of all other SIPs consistent with Clean Air Act deadlines.</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>OAR Page 6 (National Ambient Air Quality Standards)</i></p>		
<p><i>Ambient Monitoring:</i> NACAA recommends that EPA continue to work with state and local agencies to prioritize new monitoring equipment purchases and implementation over the next several years, and ensure that expectations for new monitoring are consistent with the funding available to support that monitoring both in amount and in timing. We recommend that EPA continue to work with the NACAA Joint Monitoring Steering Committee in determining the best use of scarce resources.</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>OAR Pages 12 and 16 (Ambient Monitoring)</i></p>		

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<p>That would include identifying opportunities for divestment of existing monitoring activities and providing realistic estimates of the associated cost savings. While EPA addresses monitoring changes and equipment replacement in the draft guidance, divestment opportunities are limited. When recommending decreases in monitoring in the past, state and local agencies have experienced resistance from EPA and the public. Additionally, it is difficult for many state and local agencies to not only replace equipment but maintain existing equipment. EPA must allow state and local agencies flexibility in making necessary network changes. However, it is important to note that this flexibility, while necessary, is not a substitute for adequate federal funding.</p> <p>EPA is proposing to begin shifting funding for the 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 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>Additionally, state and local agencies will face new and/or expanded monitoring requirements to address NO<sub>2</sub> and air toxics. Since these are either monitoring start-ups or expansions, it is critical that they be adequately funded under Section 103 authority.</p>				
<p><i>Effective Use and Distribution of STAG Funds:</i>                      NACAA is pleased that the Administration’s FY 2016 budget includes an increase of \$40 million in grants to state and local air quality grants over FY 2015 levels (for a total of \$268.2 million). This request includes \$25 million to implement the Clean Power Plan and \$15 million for other continuing state and local air quality implementation activities. It</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>OAR App. B Page 1 (Effective Use and</i></p>		

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<p>also calls for a \$4 billion “Clean Power State incentive Fund” that would support states that wish to go beyond the Clean Power Plan program.</p> <p>NACAA is very appreciative of the proposed increases, which will provide much-needed financial assistance to agencies as they begin developing their implementation plans to address EPA’s Clean Power Plan and continue to administer their core clean air programs under the Clean Air Act. While the request is divided into \$25 million for climate work and \$15 for core programs, we instead recommend flexibility to state and local air agencies with respect to how they spend the \$40 million increase. In this way, state and local air agencies could use the additional funds for the highest priority activities in their areas, including, but not limited to, climate-related or core programs.</p> <p>NACAA is also pleased by the recommended \$4-billion Clean Power State Incentive Fund contained in the President’s request because it will assist states and localities that wish to achieve additional and quicker reductions in greenhouse gas emissions.</p>		<i>Distribution of STAG Funds)</i>		
<p><i>Allowance Trading Programs:</i> EPA proposes to use state and local grant funds to operate the Cross State Air Pollution Rule (CSAPR). NACAA opposes this. Instead, we recommend that EPA fund the administration of the program in the same way that the Acid Rain program is administered – using funds from EPA’s own operating budget, not state and local air grants.</p>	<i>National Association of Clean Air Agencies (NACAA)</i>	<i>OAD App. B Page 3 (Allowance Trading Programs)</i>		
<p><i>Multi-Jurisdictional Organizations (MJOs):</i> The draft NPM guidance states that NACAA is comprised of representatives from over 40 member air pollution control agencies. In fact, NACAA’s membership includes 41 states, the District of Columbia, four territories and 116 metropolitan areas.</p>	<i>National Association of Clean Air Agencies (NACAA)</i>	<i>OAD App. B Page 5 (MJOs)</i>		
<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</p>	<i>National Association of Clean Air Agencies (NACAA)</i>	<i>OAD App. B Page 6 (Diesel Emission</i>		

Comment from State, Tribe, or Other Stakeholder	Commenter(s)	Location in Draft Addendum	NPM Response	Action Taken in Final Addendum
<p>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>		<i>Reduction Program)</i>		
<b>COMMENTS ON OECA NPM</b>				
<p><i>Overview:</i>  NACAA commends OECA for its recognition of the need for federal, state, local and tribal governments to work together toward environmental goals. The association also applauds EPA for recognizing that resource constraints are a real challenge and that it is important for EPA to exercise flexibility in implementing the measures in the NPM to accommodate resource issues.</p>	<i>National Association of Clean Air Agencies (NACAA)</i>	<i>OECA Pages 1 and 3 (Overview)</i>		
<p><i>Environmental Justice:</i>  The "activities" section begins with "Regions, together with states, tribes and other partners as appropriate, will..." and goes on to call for potential environmental justice (EJ) concerns to be reviewed using the agency's EJSCREEN tool. NACAA has expressed concerns to EPA about EJSCREEN, particularly with respect to the age of the data that is the underpinning of the tool. NACAA has recommended that EPA delay the launch of EJSCREEN until these data concerns can be addressed. Therefore, NACAA believes it is premature to include the use of EJSCREEN in the NPM. Additionally, even after the tool is launched, NACAA does not believe the use of EJSCREEN should be required and recommend that the word "will" be replaced with "may."</p>	<i>National Association of Clean Air Agencies (NACAA)</i>	<i>OECA Pages 17-18 (Environmental Justice)</i>		