

March 4, 1999

Mr. Robert Perciasepe  
Assistant Administrator  
Office of Air and Radiation  
U.S. Environmental Protection Agency  
401 M Street, SW  
Washington, DC 20460

Dear Bob:

On behalf of the State and Territorial Air Pollution Program Administrators (STAPPA) and the Association of Local Air Pollution Control Officials (ALAPCO), thank you for the opportunity to comment on the EPA Office of Air and Radiation's draft FY 2000-2001 Implementation Plan. In general, we found the plan to be well-researched, comprehensive and presented in a logical format. However, we find it difficult to assess the components of the plan without knowledge of the relative importance of the tasks or how much of the budget would be attached to each of the tasks. In the future, it would be helpful to have this information to conduct a fully informed evaluation.

### **Critical General Issues**

The following outlines some of the critical overarching issues that we think should be addressed by the agency:

#### *Foundation Building*

We fully support the goals and measures identified in the plan to achieve clean, healthful air. However, to achieve these goals, EPA needs to place a greater emphasis on building the foundation of all aspects of the air program, including providing the necessary resources to state and local agencies to implement successful programs. While we appreciate your personal efforts this past year in helping secure increased Section 105 funding, it is imperative that the agency expand its commitment. Accordingly, we urge EPA to identify the assurance of providing adequate federal funding to state and local agencies as a top headquarters' priority in the FY 2000-2001 Implementation Plan.

As you know, we have spent the past year trying to identify gaps in funding for FY 2000, with the resounding conclusion that state and local agencies will need substantial additional funds to meet their air pollution obligations. Since FY 1995, federal grants for implementing the Clean Air Act (excluding special grants for fine particulate matter monitoring) have decreased by over \$40 million, not including inflation, representing a 23-percent cut. These decreases have seriously affected the ability of state and local agencies to address emerging issues as well as to implement ongoing activities to preserve the gains and improvements in air quality that we have already made. A recent

study by EPA and STAPPA and ALAPCO concluded that federal grants should increase by \$98 million if we are to operate a good (although not perfect) program.

### *Effective and Timely Rules and Guidance*

Equally important to funding in building the foundation of the air program is the critical need to have the effectiveness of EPA standards and guidance match the desired environmental results. EPA's regulations must achieve the maximum environmental benefits in the most cost-effective way. We are pleased that EPA is applying this criterion to its Tier II/sulfur in gasoline rule and urge that the agency ensure its expeditious promulgation. Other rules, however, like the Architectural and Industrial Maintenance regulation have been delayed and fall far short of environmental expectations. Without effective national rules, state and local agencies will be required to impose costlier control measures on the backs of other sectors of the economy, including small businesses.

Another critical component in the foundation-building goal is the need for EPA to issue rules and guidance in a timely manner. Without timely rules and guidance, a domino effect is triggered with state and local agencies bearing the consequences. For example, if EPA does not issue the 10-year MACTs by 2000, the "hammer" will fall upon state and local agencies, pursuant to Section 112(j) of the Clean Air Act, to undertake the resource-intensive task of developing the technology-based standards in lieu of EPA. We urge EPA to treat rule and guidance development with the highest priority.

### *Harmonization*

Over the past couple of years, EPA has done an excellent job of acknowledging the need to integrate or harmonize programs and strategies. Approaching environmental protection from a multi-pollutant perspective is a highly efficient and effective way to operate. EPA's harmonization efforts, such as the joint schedule for particulate matter (PM) and regional haze and the persistent bioaccumulative toxics strategy, have been trends in the right direction. As EPA acknowledges with ozone, PM and regional haze, there are many opportunities for integration since many programs share pollutants and the collateral benefits. We encourage the agency to continue with this policy and expand the effort into other areas, including additional multi-media coordination, integrated enforcement and pollution prevention in permitting

### *Clean Air Partnership Fund*

STAPPA and ALAPCO strongly support the concept behind the Clean Air Partnership Fund as it will help support experimentation to reduce greenhouse gases that the rest of the nation can build upon. Further, it embodies the spirit of harmonization, which we strongly endorsed above. As mentioned previously, integrated policies and technologies offer many opportunities to address a host of national air quality concerns – attainment of national air quality standards, climate change and air toxics. As state and local agencies are preparing to face several new and formidable air quality challenges, including

development of plans to meet new and revised standards for ozone and PM, preparation of strategies to reduce transported ozone in the eastern U.S. by complying with NO<sub>x</sub> limits, compliance with new regulations for restructuring the electric utility industry and identification and implementation of measures to reduce regional haze, the Clean Air Partnership Fund would offer innovative and integrated strategies for meeting these challenges, as well as reducing greenhouse gases.

#### *State and Local Input in Development of National Guidance*

While we appreciate the effort to build flexibility mechanisms into national guidance, we urge EPA to include state and local input when developing the guidance. Environmental agencies are in the best position to anticipate which areas need flexibility. Moreover, it is critical that input from these agencies occurs at the outset of the guidance development process.

#### *Technical Assistance/Emission Factors*

We believe that the agency should place a greater emphasis on technical assistance for state and local agencies. The draft implementation plan omits several critical assistance areas that are crucial in transforming programs from concept to reality. For example, public outreach activities and the training of state and local staff are essential in order to successfully implement programs like those outlined in the plan. Indeed, a few years ago state and local agencies worked with EPA to identify areas that needed attention in order to effectively implement programs; outreach and training were areas that were deemed indispensable. In addition, the importance of developing solid emission inventories and emission factors cannot be emphasized enough. The control strategies that EPA is proposing, such as those for PM<sub>2.5</sub>, can only be supported through a strong bedrock that includes robust inventories and emission factors.

#### *Core Performance Measures*

We have reviewed the FY2000 Core Performance Measures for programs under the Office of Air and Radiation and believe they represent a fair measure of the core programs' "outcomes" and "outputs." In addition, the associated reporting requirements included for each indicator should not pose unnecessary burdens to state and local agencies.

#### **Other Issues**

Following are some specific technical and programmatic issues that we would like to highlight:

- ?? *Air Toxics* – The associations believe that the air toxics program is extremely important and will continue to assume an increasingly vital role in air pollution control programs over the next several years. As outlined in the implementation plan, there are a host of activities that need to occur to support the air toxics

program (e.g., improving inventories, ensuring compliance, implementing an ambient air toxics monitoring program and improving models). It is essential that EPA ensure that adequate funding is available for these activities. EPA has recommended a \$3 million dollar increase in funding for air toxics. We believe that this is an important, but small, step towards restoring the resources that are needed to support an air toxics program. In addition, it is important for the agency to acknowledge the work that state and local air agencies have done in the air toxics field. For example, for the past several years many agencies used their own resources to implement air toxics programs, including supporting ambient toxics monitoring networks. In light of this valuable experience, EPA should include state and local expertise when it develops the air toxics program, particularly when evaluating siting requirements, test methods and design criteria. Also, as mentioned previously, it is essential that EPA promulgate its MACT standards in a timely basis to avoid the hammer provisions of Section 112(j) falling upon state and local agencies.

- ?? *Ozone* -- In its Implementation Plan, EPA projects that the NOx SIP Call "will bring the vast majority of all new nonattainment areas into attainment with the 8-hour standard without having to implement more costly controls." While the SIP Call will certainly help many areas of the country reach attainment, we are concerned that this statement may leave the false impression that little has to be done outside of implementing the SIP Call. In fact, it is likely that many areas of the country will still find it necessary to implement local control strategies to reach and maintain compliance with the 8-hour standard.
- ?? *Climate Change* – STAPPA and ALAPCO strongly support EPA's work in the climate change arena. It is critical that the agency continue its plans to reduce greenhouse gases. Again, harmonization is a key concept in this realm as there are a wide array of cost-effective measures that exist for substantially reducing GHG and criteria pollutant emissions from every major sector of the economy. Moreover, the preliminary results of four case studies conducted by the associations - for the State of New Hampshire, Louisville, KY, Atlanta, GA and Ventura, CA- demonstrate that the level of emission reductions that can be achieved by states and localities through the implementation of harmonized control strategies can exceed the 7-percent U.S. greenhouse gas reduction target envisioned by the Kyoto Protocol, and also provide substantial criteria pollutant reductions beyond those mandated by the Clean Air Act.

As industries pursue these harmonized initiatives and as Congress explores legislation to provide credit for early greenhouse gas emission reductions, EPA can facilitate the process by developing a bank for early emission reductions. This bank would provide incentives for industries to make early reductions and would also dovetail nicely with the agency's Energy Star volunteer programs.

- ?? *Regional Haze* – We appreciate that EPA is moving ahead with the regional haze program. We suggest that EPA review the FY 2000-2001 Implementation Plan to ensure it comports with the most recent draft of the haze rule.

- ?? *Particulate Matter* – We note that the agency expects to complete the PM2.5 monitoring network by December 1999. However, this conclusion may be optimistic in light of the fact that Congress must appropriate the remaining \$7.5 million and EPA must allocate the appropriated funds to states and localities for deployment of monitors by the end of this year. It is also critical that EPA continue to fund the operation and maintenance of these monitoring networks, preferably under Section 103 of the Clean Air Act. To address long-term funding needs, EPA should expand its emphasis on developing continuous particulate matter samplers. Further, we think it is important for the agency to acknowledge the fact that state and local agencies have added their own resources to the implementation and establishment of the PM2.5 monitoring network.
- ?? *Title V and New Source Review* – STAPPA and ALAPCO recognize that EPA is in the midst of a simplification effort for these programs involving stakeholder processes. We urge the agency to fix the problems in an expeditious manner.
- ?? *Gasoline Sulfur/Tier II* – As mentioned earlier, STAPPA and ALAPCO offer their full support for EPA's plans with respect to sulfur in gasoline and Tier II vehicle standards. Control of vehicle emissions is essential to attainment and maintenance of ozone and PM standards, as well as other air quality goals – climate change, toxics and visibility.
- ?? *TEA-21* – This legislation will play a very important role in how state and local agencies implement programs. We believe the agency should take greater efforts to reach out to elected officials. The state legislators and the mayors are critical in appropriating funding for air quality projects.
- ?? *Indoor Air* – EPA must recognize the institutional problems associated with the indoor air quality program. Many state air agencies have no authority over indoor air quality and only some local air agencies have jurisdiction over this issue. Oftentimes, this program resides with the health, public works or housing agencies. Until EPA addresses the institutional barriers in a cohesive way, the serious public health threats posed by indoor air will not be adequately resolved.

Thank you for this opportunity to comment on OAR's draft implementation plan for FY 2000-2001. We look forward to working with you as you continue the development of this document.

Sincerely,

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ALAPCO President

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