

MINUTES

STAPPA AND ALAPCO 2004 SPRING MEMBERSHIP MEETING

**May 15-19, 2004
Marriott Grand Hotel
Point Clear, Alabama**

I. Welcome and Introductions – Sunday, May 16, 2004

STAPPA Vice President Nancy Seidman (MA) opened the meeting and welcomed attendees. After each attendee introduced himself/herself, Nancy reviewed the meeting agenda, highlighting the topics on which the various sessions would focus. The meeting agenda and attendees list are attached.

Next, ALAPCO President Cory Chadwick (Cincinnati, OH) welcomed attendees and apprised them of the Boards of Directors' Winter Meeting discussion of whether or not the associations should consider changing their names (because the current names are so cumbersome). In particular, the Boards had suggested hiring a public relations firm to advise the associations on this issue. Cory then asked for a show of hands regarding who thought a name change was a good idea; an overwhelming majority of those present supported the idea.

II. Executive Director's Report – Sunday, May 16, 2004

STAPPA/ALAPCO Executive Director Bill Becker reported to the members on highlights of the associations' activities over the past six months. Bill noted that with a few possible exceptions, we are unlikely to see air-related legislative action this year. The possible exceptions Bill identified were transportation conformity and CMAQ. Bill explained that both the House and Senate have passed transportation bills that include provisions on these issues, although whether and how the Conference Committee will resolve their differences is unclear; both bills weaken the existing programs and requirements from an air quality perspective (as an example, Bill highlighted the issue of planning horizons), however, of the two, the House bill is preferable. He directed members' attention to a comparison of the key provisions of the House and Senate bills, which includes a STAPPA/ALAPCO recommendation for each issue.

Bill also reported on congressional appropriations activities, noting that the associations have been working hard for an increase in state and local air grants. He further informed the members on the status of the national energy bill, which last year emerged from Conference Committee, but was passed only by the House, not the Senate. The Senate has started over again this year, with a "slimmed down" version of the conference bill, however the issue remains a controversial one. Bill also reported on the associations' efforts to oppose clean air act exemptions for military readiness activities, which the Department of Defense was seeking for the third year in a row; he reminded members that the associations had testified before Congress on this issue on April 21, 2004.

Finally, Bill directed members' attention to the Committee reports posted on Air Web, highlighting especially the promulgation of the nonroad engine and fuel rule (which Bill cited as a superb process that should be a model for all rulemakings), the completion of the STAPPA/ALAPCO NSR menu of options, the revamping and upgrading of the associations' web sites and the development of the PM_{2.5} Menu of Options.

III. Air Quality Profile of Alabama – Sunday, May 16, 2004

Ron Gore, Chief of the Alabama Air Quality Division, described the current population trend in which many Alabamians are moving back to the countryside or suburbs from the urban centers. Wood, cotton and paper are all important industries and the industrial base includes as well limestone production and chemical plants. Long-standing tax breaks make Alabama an attractive location for industry. But low per-capita income, and accordingly low taxes, means there is not much money for environmental and conservation needs. Currently, there is \$6 million for Title V fees. The Air Quality Division has the authority to impose \$20 per ton under Title V, an unusually low amount. There is little in the way of funding from the state general fund, although the legislature will create a match fund for Title V.

Ron described three innovative projects that have been initiated by the state: an Idle Air facility intended to minimize diesel idling; a retrofit program for school buses in Birmingham; and ozone forecasting for Mobile and Birmingham. He noted that the main challenge facing the air program in the future will be replacing the many upcoming retirees and dealing with other ongoing personnel issues. Zoning, Ron said, is the hottest issue in Alabama, because no zoning protections presently exist. This means that until the state makes changes, quarries or chemical plants can locate anywhere.

IV. Critical Issues – Sunday, May 16, 2004

New Source Review Update

John Paul (Dayton, OH), ALAPCO Co-Chair of the NSR Subcommittee, noted that many state and local agencies are currently waiting for the outcome of the legal challenges to EPA's federal NSR rule changes, which is anticipated to occur in early spring 2005. The oral argument in the December 2002 rule challenge is scheduled for January 25, 2005. John pointed out the variations on the federal NSR rules that have been adopted preliminarily by Wisconsin and Indiana. Various NSR activities will be undertaken in 2004, including NSR rules related to 8-hour ozone and PM_{2.5} NAAQS implementation; revisions to Appendix S; the proposal on NO_x increments; reconsideration on fugitive emissions; and major and minor nonattainment NSR rule for Indian Country. John was asked various questions regarding EPA's response to Wisconsin's NSR modifications and the 8-hour ozone rule.

External Relations

Dave Shaw (New York), STAPPA Co-Chair of the External Relations Committee, asked members to complete a questionnaire designed to determine the level of interest in obtaining training on working with tribal governments. EPA regional offices periodically offer workshops on "Working Effectively with Tribal Governments," and EPA headquarters staff who work on Tribal issues have expressed an interest in offering this workshop to other interested state and local agency staff.

Emission Factors

Peter Tsirigotis, Director of the Emissions, Monitoring and Analysis Division of EPA's Office of Air Quality Planning and Standards, stated that "we're recreating the program" regarding emission factors. He stated that emission factors are being used for more than just inventories, citing modeling, PSD/NSR, Title V permitting and residual risk as areas that may rely on emissions factors. Noting that emission factors were sometimes contradicted by modeling, he stated that EPA was attempting to update and automate the emission factors program. EPA is also in the process of developing an audit program and is working on standardization of emission factor development and planning on how best to use the industry funds available. Peter said that 68 percent of SO₂ emission factors have already been developed by utilities. There is a need for development of carbon emission factors now, he stated. During the Q&A, a concern was raised over the implications of Peter's graph depicting industry doing most of the emission factors development (and what impact industry development of emissions factors would have on the accuracy of the audit program). Peter was also asked whether EPA might discredit state rulemakings quantifying industry emissions factors in non-inventory contexts, to which he responded that the audit program would be "transparent" and that EPA did not want to "pull the rug out from under the states."

STAPPA/ALAPCO Model Rule for Opting into California's 2007 Highway Diesel Standards

Bill Becker updated the members on the associations' development of a model rule for adopting California's 2007 highway diesel standards, reminding them that while STAPPA and ALAPCO strongly support the federal 2007 diesel rule and EPA's efforts to implement it, the associations remain concerned about the continued comments by representatives of the trucking industry and others (GAO, in its report on the rule, and some members of Congress) seeking to delay or weaken the rule. Bill stressed that this STAPPA/ALAPCO initiative is intended as a friendly action toward EPA and that the agency understands this; it is intended to serve as a backstop or "insurance policy" in the event those who seek to delay or weaken the rule are successful. Bill also explained that the associations had contracted with Bruce Buckheit to help draft the model rule and supporting materials. Bruce then provided some background on the 2007 rule and an overview of the kinds of issues and options to be addressed in the model rule.

V. Latest on NAAQS and Regional Haze Implementation – Monday, May 17, 2004

Lydia Wegman, Director of the Air Quality Strategies and Standards Division of EPA's Office of Air Quality Planning and Standards, reviewed EPA's implementation of the ozone and PM NAAQS and work on regional haze issues. On April 15, 2004, EPA released part one of the final rule for implementing the 8-hour ozone standard and issued 8-hour ozone designations. Lydia said that the final rule differs from the proposed rule in that it does not require areas that have higher classifications under the 1-hour ozone standard to keep their more stringent NSR requirements; she said this is because NSR is a growth measure, not a control measure, and EPA believes that for anti-backsliding, only control measures need to continue to apply. She said that EPA will grant any timely requests for a bump-up in classification. The second part of the 8-hour ozone implementation rule is due out in August. On April 15, 2004, EPA approved deferrals for 13 Early Action Compact Areas; three areas were not approved because their plans were not acceptable.

With respect to PM_{2.5}, EPA will make final designations by November 2004 and issue a proposed implementation rule this year. States submitted their recommendations for PM_{2.5} designations earlier this year. EPA will review these recommendations using nine factors, but will focus on air quality and emissions; for these two factors, EPA has developed a weighted-emissions-score approach to take multiple PM_{2.5} pollutants into account.

EPA will soon release its supplemental proposal on the transport rule ("Clean Air Interstate Rule"), which will include a model cap-and-trade program as well as regulatory text for the entire rule. EPA will not extend the transport rule to the West. In July, EPA will release a notice of data availability with updated modeling.

On April 15, 2004, EPA repropoed its regional haze rule, with revised guidelines for making Best Available Retrofit Technology (BART) determinations. EPA is soliciting comment on whether the transport rule could serve to satisfy the BART requirements for power generators in affected states.

VI. State and Local Air Toxics Initiatives – Monday, May 17, 2004

Mike Koerber (LADCO) described the air toxics monitoring data analysis project that Sonoma Associates is carrying out under LADCO supervision. The project is intended to provide a comprehensive look at the national air toxics trends sites (NATTS) as well as the approximately 300 air toxics sites operated by state and local agencies. One question that the project will answer is, "How good are the data?" Mike noted, for instance, that for some compounds, such as benzene, carbon tetrachloride and formaldehyde, the background levels are higher than the cancer risk levels. Other questions that will be addressed are "What are the air toxics concentration levels nationally and locally?" and "What do air toxics data say about the effectiveness of control programs?" One missing set of data, or risk drivers, is the contribution (air toxics and PM_{2.5}) from diesel particulates, Mike said. In addition, Mike noted that there is now a community-scale air toxics monitoring effort underway, which involves expenditure of \$6.2 million in federal grant funds through competitive grant procedures. Mike stated that additional analyses of air toxics monitoring data are needed to assess trends using NATTS data and to better characterize background levels. During the Q&A, Dick Valentinetti (VT) noted that, "benzene and formaldehyde scream for some kind of national program because they are at fairly high levels consistently across the country." Mike ended by referring attendees to EPA's air toxics website for more information.

Art Williams (Louisville, KY) summarized the air toxics monitoring work that has been done in Louisville by the West Jefferson County Community Task Force (WJCCTF). He stated that the main priority of WJCCTF was to characterize air toxics from "Rubbertown," an industrial area that has long been of concern to the community. Art stated that following the one-year monitoring effort, the results indicated that 17 carcinogens were measured at risk levels higher than one in one million. Particularly high levels of 1,3-butadiene were found. Subsequently, information on the results was disseminated to the community through the *Courier-Journal* and the Mayor met with three companies to try to obtain voluntary reductions in air toxics emissions. All three companies agreed to undertake voluntary actions. However, when the Louisville governing board decided to make the companies' actions enforceable through formal orders, they were rejected by the companies. American Synthetic Rubber (ASR) conducted a study of its contribution of 1,3 butadiene to Louisville's ambient air problem

that concluded that ambient concentrations of this chemical were reduced by 75 percent during an ASR shutdown. The regulatory response to these excessive levels is ongoing. Art stated, however, that elimination of flaring should reduce toxic emissions at the three companies that are largely responsible for the carcinogenic emissions. During the Q&A, a question was asked about the cost of Louisville's program, including monitoring, data analysis, the risk management plan and other measures. Art answered that the program cost "thousands of hours and approximately \$2 million."

Annette Liebe (Oregon) described the Portland Air Toxics Assessment (PATA) project, in which Portland initiated "a geographic approach" to assessing air toxics, including monitoring and evaluating source categories and establishing emission reduction measures when the measured impacts were above health benchmarks and a particular source was a significant contributor. Annette said that modeling was done that utilized data from the locally developed 1999 emission inventory, local meteorology gathered from seven sites, and onroad emissions. CALPUFF was chosen as the model. One of the conclusions reached from PATA was that the CALPUFF model predictions of various pollutants were higher than those from the ASPEN model. Annette said that the PATA work was more accurate than previous NATA assessments. She said that the project found that of the 12 pollutants studied, diesel particulates, benzene and 1,3 butadiene were well above health benchmark levels. Noting that 1,3 butadiene "followed the main highway corridors," she said that onroad engines, lawn and garden equipment and recreational marine sources appeared to be primarily responsible for the elevated levels. A questioner asked if the information gained was worth the effort, to which Annette replied that there were more hotspots for certain pollutants than had been expected and that pinpointing their locations was valuable. In response to another question, Annette noted that the seven meteorological sites used for modeling included three airports. Annette further noted that stakeholders will be involved in setting new health benchmarks.

VII. Taking Action on Climate Change: How and Why? – Monday, May 17, 2004

David Doniger of the Natural Resources Defense Council gave a presentation on why it is necessary to take action on climate change in the near future, rather than wait. He summarized the scientific evidence to date on climate change and the possible impacts of climate change. To stabilize the climate, the world needs to start reducing GHG emissions now, or else very aggressive reductions will be required in later years. He reviewed current legislative proposals for reducing GHG emissions. If a state were interested in taking action, he said, the most effective actions would be to join the Regional GHG Initiative, which is looking into developing a cap on power plant carbon dioxide emissions in participating states, and to opt into California's upcoming GHG emissions standards for passenger vehicles.

William F. Bailey of E.I. DuPont de Nemours and Co., Inc. (DuPont), talked about DuPont's efforts to reduce its GHG emissions. DuPont's goal is to grow its profits while reducing its impact on society, and in order to do this, its manufacturing plants must reduce operating costs, energy use and emissions. DuPont made a commitment to reduce its GHG emissions in 2010 by 65 percent versus 1990 emissions, and the company met this commitment early – in 2002.

Abby Young of the International Council for Local Environmental Initiatives (ICLEI) described ICLEI's Cities for Climate Protection Campaign. She stressed the multiple benefits of climate protection – many GHG reduction activities also improve local air

quality and decrease municipal operating costs. She described efforts by Chicago, Illinois; Salt Lake City, Utah; Seattle, Washington; Austin, Texas; Philadelphia, Pennsylvania; and Tucson, Arizona. She noted that the Clean Air and Climate Protection Software developed together with STAPPA and ALAPCO is very helpful in quantifying the air quality benefits of GHG reduction measures.

VIII. Breakout Groups: An Exercise in Problem Solving – Monday, May 17, 2004

For this session, members broke into small groups to have informal discussions about several timely issues affecting state and local air directors. Topics for discussion included: 1) “If I could rename the associations I would change the name to...,” with discussion facilitated by Gary Young (Des Moines, IA); “If I were creating a public education campaign about air pollution it would be...,” facilitated by Sandra Ely (NM); “If I could revise the CAA I would...,” facilitated by David Shaw (NY); “If I had another 10 percent in my budget I would spend it on...,” facilitated by Christine Robinson (Las Vegas, NV); and “If I could eliminate the most wasteful, duplicative element of my program it would be...,” facilitated by Shelley Kaderly (NE). After the discussions, a representative of each breakout group reported back to the full group on highlights of the discussion and what, if any, conclusions had been reached.

IX. Air Quality and Public Health – Tuesday, May 18, 2004

Dr. George Thurston of the New York University School of Medicine reviewed the scientific evidence of the health effects of ozone and fine particulate matter and the benefits of rapidly implementing the Clean Air Act to reduce these pollutants. He noted that most of the sulfur-containing secondary particles in the U.S. come from power plants. Diesel particles have also been identified as especially toxic, because these particles are in the fine fraction that penetrates deep into the lungs and diesel exhaust contains irritants and cancer-causing substances. Combustion/industrial particles (as opposed to dust) may be more toxic because these particles are of different sizes and different physiochemical characteristics and deposit in different parts of the lungs than “natural” particles, and since the lung evolved to keep particles out of these regions, it is a cause for concern. In response to a question, Dr. Thurston said that while it does cost money to clean up the air, society is already paying the price for dirty air in the form of missed school and work days, asthma attacks, emergency room visits and premature deaths.

Dr. Shankar Prasad and Kathleen Tschogl, both of the California Air Resources Board (CARB), gave a presentation on how improving air quality benefits public health and the economy. Dr. Prasad, who is the health advisor to the CARB Chairman, reviewed the health impacts of pollutants, including the costs to society of these impacts. Kathleen, the CARB business ombudsman, talked about how to work with the regulated community to achieve favorable outcomes.

X. The Latest on EPA’s Mobile Source, Fuels and Transportation Programs – Tuesday, May 18, 2004

Eric Skelton (Spokane, WA), ALAPCO Co-Chair of the Mobile Sources and Fuels Committee, opened the session and introduced each of the four panelists from EPA’s Office of Transportation and Air Quality (OTAQ).

Margo Oge, Director of EPA OTAQ, first discussed the nonroad diesel and fuel rule that EPA had promulgated the previous week and then outlined OTAQ's five priorities: 1) successful implementation of Tier 2 (cars and gasoline), the 2007 highway diesel rule and the nonroad diesel rule (Margo expressed her concern that the 2007 highway diesel rule is facing opposition, noting that even if the rule is implemented on time in 2007, there could be opposition later on to the standards that take effect in 2010); 2) small engines; 3) retrofitting the existing fleet (by 2015, EPA wants to have retrofitted all existing onroad and nonroad diesel engines via a collaborative partnership); 4) technical assistance for state and local governments; and 5) a transportation climate program.

Chet France, Director of the OTAQ Assessment and Standards Division, discussed next steps for five key mobile source regulatory programs: 1) nonroad diesels, 2) locomotive and marine engines, 3) small gasoline nonroad engines, 4) heavy-duty highway engines and 4) a mobile source air toxics (MSAT) rule. Chet noted, in particular, the open comment period on the locomotive and marine engine advance notice of proposed rulemaking; Senator Bond's amendment to EPA's appropriations bill regarding small nonroad engines and EPA's work in response to that; the need to remain vigilant on the 2007 highway diesel rule; and EPA's plans to initiate a stakeholder discussion (similar to that for the nonroad rule) for development of an MSAT rule. Margo added that she considers the MSAT rule to be among the five categories of OTAQ's priorities that she had highlighted earlier.

Merrylin Zaw-Mon, Director of the OTAQ Certification and Compliance Division, overviewed the agency's efforts to address 1) diesel emissions from existing heavy-duty fleets – including the Clean School Bus USA program, the Regional Sensitive Populations Initiative and the upcoming Clean Fleets USA Retrofit Convention; 2) fuel economy issues for light-duty vehicles; and 3) international activities.

Finally, Suzanne Rudzinski, Director of the OTAQ Transportation and Regional Programs Division, addressed three main issues: 1) conformity (including the status of the rule amendments and several new guidance documents); 2) the SmartWay Transport Partnership; and 3) Best Workplaces for Commuters program.

XI. Mercury: Sources, Pathways, Health Effects and Controls – Tuesday, May 18, 2004

Ellen Brown of EPA's Office of Air and Radiation, discussed current scientific understanding about the sources and health effects of mercury. She stated that mercury emitted from power plants contributes approximately 37 percent of the nation's total and constitutes the single largest source. While medical waste incinerators formerly contributed significantly to total mercury levels, their contribution has fallen in the last decade since they have been required to adopt MACT standards. Ellen noted that mercury's impacts on fetal and child development include cognitive and motor impairment. Noting that the only known pathway of human exposure to mercury is through eating contaminated fish, Ellen said that evidence is mounting that "new" mercury (which has most recently entered the water body) is what enters the food chain. Correspondingly, mercury levels in fish can be rapidly reduced, according to Ellen, when mercury emissions are controlled. The Florida Everglades, for example, show significant reductions in mercury concentrations in fish – and fish-eating birds – within five years since instigation of load reductions. In response to a question, Ellen noted that in-state emissions are

responsible for most mercury deposition. In response to a question about how EPA will deal with mercury hotspots, Ellen responded that the question is “how can EPA regulate mercury evenly so that there are no hotspots?”

David Brown of the Physicians for Social Responsibility discussed the health impacts of methylmercury, including death, kidney toxicity, cardiovascular toxicity, immunotoxicity and neurotoxicity. He noted that methylmercury is degraded slowly by the human body, is secreted in breast milk and disrupts biological processes critical for normal brain development. He noted that fetuses, infants and young children are most vulnerable, and that effects are often delayed and irreversible. Enumerating the health effects in children, he stated that mental retardation, ataxia, seizures, vision and hearing problems and memory and motor impairment have all been attributable to mercury ingestion. Furthermore, David noted, the many methylmercury studies that have been done have been rigorously reviewed. Eight percent of US women of childbearing age have blood levels of mercury above the recommended safety level of 5.8 ug/liter. Finally, he noted that there needs to be improvement in fish consumption advice given, including guidance that is nationally consistent and directed at children by age or body weight.

Bill O’Sullivan (New Jersey) discussed technology that is effective in reducing mercury emissions. He stated that carbon plus fabric filters (which can involve coating a baghouse with carbon) is effective. Also effective are wet flue gas scrubbers, carbon sorbent injection and electrostatic precipitators. Bill noted that activated carbon is a cheap way to achieve reductions. He emphasized that a Massachusetts-generated control feasibility report concluded that mercury controls are technologically feasible and that some power plants are achieving up to 98 percent mercury removal. Bill also noted that in Massachusetts, controls designed to meet SO₂ and NO_x standards are expected to achieve mercury reduction co-benefits. Furthermore, power plants and municipal waste combustors in Massachusetts are demonstrating 90 percent mercury removal. Nancy Seidman noted that the Massachusetts technical report on the economic feasibility of various mercury controls is available on the Massachusetts web site. Nancy also said that in the public hearing on mercury controls, the state was strongly criticized for allowing some mercury trading. The public apparently wanted no trading, even on an interim basis.

XII. Federal Enforcement Update – Tuesday, May 18, 2004

John Fogarty, the Acting Associate Director of EPA OECA’s Air Enforcement Division, reported that because of the many recent changes in agency management it was “a difficult time right now” and was “harder to do things.” He stated that the fact that Adam Kushner, Acting Director of the Air Enforcement Division, was unable to be present at the meeting “was testament to that.” He proceeded to note that OECA is still active in the areas of MACT standards, refineries and mobile sources. John also said that enforcement priorities include Clear Skies legislation, MACT enforcement and utility cases. The agency hopes to achieve reductions of 13 million tons of SO₂ and 20 million tons of NO_x through utility settlements. Forty percent of the refinery cases have settled, John stated, through global decrees. “We are nearing the end of voluntary settlements and will be on a litigation track” with an estimated 40 percent of the refineries that will not settle. The balance, he said, will entail “a large role for states.” He noted that settlements addressing curtailment of practices such as flaring have resulted in significant emissions reductions. As for utilities, John enumerated the stages of the various “New Source Review initiative” cases, including *Ohio Edison*, *Duke Energy*, *TVA*, *Illinois Power* and *Eastern Kentucky*. John also touched on the “bakery initiative” involving enforcement actions targeted at

reduction of CFCs, which are used by bakeries as industrial refrigerants. Myers Bakery and Earthgrains both settled EPA cases against them for approximately \$5 million. Finally, John touched on mobile source cases involving intentional misfueling as a “potential growth area” for OECA. In response to a question, he stated that OECA is enforcing existing NSR rules, not the Equipment Replacement Rule.

XIII. STAPPA/ALAPCO Joint Business Meeting – Tuesday, May 18, 2004

Jim Joy (South Carolina), President of STAPPA, and Cory Chadwick (Cincinnati, OH), President of ALAPCO, called the associations’ joint business meeting to order.

Approval of Minutes – Bill Becker, Executive Director of STAPPA and ALAPCO, indicated that the minutes were posted on the associations’ web site – Air Web – prior to the meeting. The memberships approved the minutes of the STAPPA/ALAPCO 2003 Fall Membership Meeting.

Treasurers’ Reports – The Treasurers’ Reports for STAPPA and ALAPCO were distributed to the members for review. Bill Becker explained the associations’ revenue and expenses from October 2003 to March 31, 2004. He reminded the memberships that the associations operate on federal and non-federal funds and described the types of expenses that each fund covers.

Election of ALAPCO Officers – The ALAPCO membership approved by unanimous vote the following 2004-2005 ALAPCO slate of officers:

President:	Dennis McLerran (Seattle, WA)
Vice-President:	John Paul (Dayton, OH)
Secretary:	Brian Jennison (Lane County, OR)
Treasurer:	Gary Young (Des Moines, IA)
Director:	Ursula Kramer (Tucson, AZ)
Director:	Christine Robinson (Las Vegas, NV)
Immediate Past President:	Cory Chadwick (Cincinnati, OH)

Other Business – Andy Ginsburg (Oregon), STAPPA Co-Chair of the Program Funding Committee, informed the memberships that about \$20 million of the funds that Congress appropriated to state and local air agencies for PM_{2.5} monitoring had not yet been spent. He gave the breakdown of the unspent money by region and urged members to make sure the obligated PM_{2.5} monitoring money in their respective agencies had indeed been spent. If not spent, the money could go to the Federal Reserve or be redistributed. He added that the associations were considering asking EPA to transfer the money into the 105 grants, which gives more spending flexibility to state and local agencies. Bruce Andersen (Kansas City, KS), ALAPCO Co-Chair of the Program Funding Committee, explained that the PM_{2.5} monitoring money is currently administered under Section 103 of the Clean Air Act. Under this section, the money is to be spent strictly on PM_{2.5} monitoring. If the money is transferred to Section 105, it can be spent on activities that are not necessarily related to PM_{2.5} monitoring. However, state and local agencies would be required to match 40 percent of the funds. He noted that the associations need to determine whether agencies will be affected by the fund-matching before going further. Some members, including those from Iowa; Nebraska; Vermont; Allegheny County, PA; Forsyth County, NC; and Polk County, IA indicated that their agencies may have trouble

matching the funds but, after discussion, the memberships suggested that the before reaching a conclusion, the Program Funding Committee should conduct a survey to get a better sense of how many agencies will be affected.

XIV. Innovative Funding Initiatives – Wednesday, May 19, 2004

Larry Sherwood (Sacramento, CA) discussed several programs Sacramento has implemented to obtain funding for air pollution programs and how Sacramento has spent money it has received for controlling air pollution. For example, Sacramento received \$37 million from the state for onroad vehicle emission reductions (the Sacramento Emergency Clean Air and Transportation Fund). Sacramento has a \$4-per-vehicle registration surcharge that can be used for onroad incentive programs and program management costs.

Jacqueline Lentz (Houston, TX) discussed Houston's use of innovative technology funding. For example, the Texas Emissions Reduction Plan provides voluntary incentives to reduce NO_x emissions from diesel engines in nonattainment and near-nonattainment areas; funding comes from a minimum 1-percent surcharge on the sale or lease of diesel equipment and a \$15- to \$20-certificate-of-title fee.

Andy Ginsburg (Oregon) briefed attendees on Oregon's Clean Air Partners program, which uses donations from vehicle inspection customers to pay for repairing vehicles of low-income residents.

Pom Pom Ganguli (Los Angeles, CA) discussed several innovative funding initiatives of the South Coast Air Quality Management District. For example, South Coast developed six pilot emission credit generation rules for inclusion in its SIP, including one for electrifying agricultural pumps. South Coast uses mitigation fees to fund innovative projects; for example, its lawnmower exchange program has been very successful, with 4,000 gasoline mowers replaced with electric ones.

XV. Innovative Regional Initiatives – Wednesday, May 19, 2004

Eddie Terrill (OK) introduced the panel members.

Colleen Cripps (Nevada) spoke about the Western States Air Resources Council (WESTAR) PSD Reform Initiative, which is intended to clarify the existing PSD program. Two workgroups have been convened to look at the problem. The first workgroup has looked at working within the existing framework to address implementation issues; the second workgroup developed an alternative to the current PSD program. The goals of the reform initiative are to recommend changes to the PSD program that will make it more efficient and effective and eliminate disincentives. It is anticipated that any recommendations made under this reform initiative will serve as a "straw option" from which a national discussion can begin.

Andy Ginsburg (Oregon) spoke about a recent agreement signed by the states of Washington, Oregon and California to reduce greenhouse gas (GHG) emissions below current levels. To accomplish these emission reductions an interstate Executive Committee has developed initial recommendations for short-term actions and long-term strategies. Short-term actions include making "green" purchasing decisions for state fleets and transportation; implementing anti-idling strategies; encouraging and supporting

renewable energy projects; supporting energy efficiency standards; and measuring the impact of these actions on GHG emission levels.

Barry Stephen (Tennessee) discussed 8-hour ozone modeling in the Southeast and its implications for Tennessee's Early Action Compacts. He noted that the ATMOS UAM-V modeling in the Southeast was first intended to provide an ozone air quality analysis to support the evaluation of control strategies to address the new 8-hour ozone standard for Memphis, Nashville, Knoxville, Chattanooga, Little Rock and Tupelo. However, it was determined that this photochemical modeling system could also be used to support the development of air quality implementation plans for the Early Action Compact areas in Tennessee, Mississippi and Arkansas. Using ATMOS UAM-V, it was determined that attainment could be demonstrated for the Nashville and Tri-Cities areas for 2007, and nearly demonstrated attainment for Chattanooga.

The STAPPA/ALAPCO 2004 Spring Membership Meeting was adjourned at 11:30 a.m.

AGENDA

STAPPA AND ALAPCO 2004 SPRING MEMBERSHIP MEETING

May 15-19, 2004
Marriott Grand Hotel
Point Clear, AL

Saturday, May 15, 2004

5:00 p.m. – 6:00 p.m. Registration
6:00 p.m. Meeting Preview and Reception

Sunday, May 16, 2004

6:30 a.m. – 8:30 a.m. Breakfast
8:00 a.m. – 8:30 a.m. Registration
8:30 a.m. – 9:00 a.m. **Welcome and Introductions**
Cory Chadwick (Cincinnati, OH)
Nancy Seidman (Massachusetts)
9:00 a.m. – 9:30 a.m. **Executive Director's Report**
Bill Becker (STAPPA/ALAPCO)
9:30 a.m. – 10:00 a.m. **Air Quality Profile of Alabama**
Ron Gore (Alabama)
10:00 a.m. – 10:30 a.m. Break
10:30 a.m. – 12:30 p.m. **Critical Issues**

- NSR Update
John Paul (Dayton, OH)
- External Relations
Dave Shaw (New York)
- Emissions Factors
Peter Tsirigotis (EPA OAQPS)
- STAPPA/ALAPCO Model Rule for Opting
Into California's 2007 Highway Diesel
Standards
Bill Becker (STAPPA/ALAPCO)
Bruce Buckheit

12:30 p.m. Lunch

Monday, May 17, 2004

6:30 a.m. – 8:30 a.m.

Breakfast

8:30 a.m. – 10:30 a.m.

Latest on NAAQS and Regional Haze Implementation

Moderator:

Brock Nicholson (North Carolina)

Speaker:

Lydia Wegman (EPA OAQPS)

10:30 a.m. – 11:00 a.m.

Break

11:00 a.m. – 12:30 p.m.

State and Local Air Toxics Initiatives

Moderator:

Bob Colby (Chattanooga, TN)

Speaker:

- *Mike Koerber (LADCO)*
- *Art Williams (Louisville, KY)*
- *Annette Liebe (Oregon)*

12:30 p.m. – 2:00 p.m.

Lunch

2:00 p.m. – 3:30 p.m.

Taking Action on Climate Change: How and Why?

Moderator:

Chris James (Connecticut)

Speakers:

- *David Doniger (Natural Resources Defense Council)*
- *Bill Bailey (DuPont)*
- *Abby Young (International Council for Local Environmental Initiatives)*

3:30 p.m. – 4:00 p.m.

Break

4:00 p.m. – 5:30 p.m.

Breakout Groups: An Exercise in Critical Thinking

- If I could rename the associations I would change the name to...
- If I were creating a public education campaign about air pollution it would be...
- If I could revise the CAA I would...
- If I had another 10% in my budget I would spend it on...
- If I could eliminate the most wasteful, duplicative element of my program it would be...

7:00 p.m.

STAPPA/ALAPCO Banquet

Tuesday, May 18, 2004

6:30 a.m. – 8:30 a.m. Breakfast

8:30 a.m. – 10:00 a.m.

Air Quality and Public Health

Moderator:

James Joy (South Carolina)

Speakers:

- *George Thurston (New York University's School of Medicine)*
- *Shankar Prasad and Kathleen Tschogl (California)*

10:00 a.m. – 10:30 a.m. Break

10:30 a.m. – 12:00 noon

The Latest on EPA's Mobile Source, Fuel and Transportation Programs

Moderator:

Eric Skelton (Spokane, WA)

Speakers:

- *Margo Oge (EPA OTAQ)*
- *Chet France (EPA OTAQ, Assessment and Standards Division)*
- *Merrilyn Zaw-Mon (EPA OTAQ, Certification and Compliance Division)*
- *Suzanne Rudzinski (EPA OTAQ, Transportation and Regional Programs Division)*

12:00 noon – 1:30 p.m. Lunch

1:30 p.m. – 3:00 p.m.

Mercury: Sources, Pathways, Health Effects and Controls

Moderator:

Jon Heinrich (Wisconsin)

Speakers:

- *Ellen Brown (EPA)*
- *David Reynolds (Physicians for Social Responsibility)*
- *Bill O'Sullivan (New Jersey)*

3:00 p.m. – 3:30 p.m. Break

3:30 p.m. – 4:30 p.m.

Federal Enforcement Update

Moderator:

Curt Marshall (Dayton, OH)

Speaker:

Adam Kushner (EPA OECA)

4:30 p.m. – 5:15 p.m.

STAPPA/ALAPCO Joint Business Meeting

- Approval of Minutes (STAPPA and ALAPCO)
- Treasurers' Reports (STAPPA and ALAPCO)
- Election of Officers (ALAPCO)
- Other Business

Wednesday, May 19, 2004

7:15 a.m. – 8:15 a.m.

STAPPA and ALAPCO Boards of Directors Breakfast Meeting

6:30 a.m. – 8:30 a.m.

Breakfast

8:30 a.m. – 10:00 a.m.

Innovative Funding Initiatives

Moderator:

Bruce Andersen (Kansas City, KS)

Speakers:

- *Larry Sherwood (Sacramento, CA)*
- *Jacqueline Lentz (Houston, TX)*
- *Andy Ginsburg (Oregon)*
- *Peter Greenwald (Los Angeles, CA)*

10:00 a.m. – 10:30 a.m.

Break

10:30 a.m. – 12:00 noon

Innovative Regional Initiatives

Moderator:

Eddie Terrill (Oklahoma)

Speakers:

- Western States PSD Initiative
Colleen Cripps (Nevada)
- Pacific Coastal States Greenhouse Gas Reduction Agreement
Andy Ginsburg (Oregon)
- Early Action Compacts and 8-Hour Ozone Modeling in the Southeast
Barry Stephens (Tennessee)

12:00 noon

Adjourn

MINUTES

STAPPA AND ALAPCO BOARDS OF DIRECTORS MEETING

Wednesday, May 19, 2004

7:15 a.m. – 8:15 a.m.

Marriott Grand Hotel

Point Clear, Alabama

ALAPCO President Cory Chadwick (Cincinnati, OH) and STAPPA President Jim Joy (South Carolina) called to order the meeting of the STAPPA and ALAPCO Boards of Directors at 7:15 a.m. STAPPA Board members in attendance included Dick Valentinetti (VT), Shelley Kaderly (NE), John Benedict (WV), Eddie Terrill (OK), Bill O'Sullivan (NJ) and Colleen Cripps (Nevada). ALAPCO Board members in attendance included John Paul (Dayton, OH), Christine Robinson (Las Vegas, NV), Gary Young (Des Moines, IA), and Ursula Kramer (Tucson, AZ). The meeting agenda is attached.

Introduction of New Board Members

Cory Chadwick welcomed Christine Robinson (Las Vegas, NV) and John Paul (Dayton, OH) to the ALAPCO Board.

Reaction to Meeting and Action Items

The Boards discussed the STAPPA/ALAPCO 2004 Spring Membership Meeting and all agreed that the agenda was well structured and included very informative sessions. Board members especially liked the panels *Mercury: Sources, Pathways, Health Effects and Control*; *Air Quality and Public Health*; and the *Latest on NAAQS and Regional Haze Implementation*. The Boards noted that participation by the EPA Regional Offices appeared to be down with only three regions represented. They also pointed out that though some were initially apprehensive about the Breakout Groups, once the group discussions were underway most seemed to support the exercise.

Date and Location of Future Meetings

Bill Becker (STAPPA/ALAPCO) informed the Boards that the 2004 Enforcement and Compliance Workshop will be held June 9-10, 2004 in New Orleans, Louisiana. The 2004 Permitting Workshop will be held September 28-29, 2004, in Kansas City, Missouri. The STAPPA/ALAPCO Summer Board Meeting will take place at the Hotel Vintage Plaza in Portland, Oregon on July 23-25, 2004. The 2004 Fall Membership Meeting will take place at the Coeur d'Alene Resort in Coeur d'Alene, Idaho on October 23-27, 2004. Finally, Bill noted that the 2005 Spring Membership meeting will be held May 21-25, 2005, at the Madison Concourse Hotel, in Madison, Wisconsin. The Board members supported the Secretariat's choices of the meeting dates and location.

Bill then noted that EPA had expressed interest in meeting with the Boards at their Summer Board Meeting. EPA proposed to have a retreat with the STAPPA and ALAPCO

Boards to improve relations between state and local agencies and EPA's headquarters and regional offices and to develop broader issues of mutual interest for pursuit in the future. The Boards agreed that this retreat would be useful and instructed Bill to work with EPA to set it up (at EPA's request, the STAPPA/ALAPCO/EPA retreat was subsequently postponed to coincide with the STAPPA/ALAPCO 2005 Winter Board Meeting).

Review of Financial Information

Bill Becker reviewed the financial statements for STAPPA and ALAPCO. The statements included the STAPPA and ALAPCO Treasurers' Reports (which were distributed during the associations' Business Meeting), as well as reports tracking grant spending by the associations.

Bill then asked the Boards to consider the STAPPA/ALAPCO Secretariat funding level for 2006. He noted that, pending the Boards approval, the associations would be submitting a proposed budget that is 5 percent over current funding levels. Several Board members thought that a 5-percent increase would be inadequate based on projected increases in fringe benefit costs and wondered if more should be allotted. Bill assured the Boards that budgeting would include projected increases in fringe benefits. The Board unanimously decided to move forward with a 5-percent increase at this time.

Other Business

The Boards discussed the vacant Chairs for several STAPPA/ALAPCO Committees, including the ALAPCO Emissions and Modeling Chair. They instructed Bill to solicit volunteers to fill these vacancies.

Adjourn

Cory Chadwick and Jim Joy adjourned the STAPPA and ALAPCO Boards of Directors' Meeting at 8:15 a.m.

STAPPA/ALAPCO BOARDS OF DIRECTORS MEETING

Wednesday, May 19, 2004

7:15 a.m. – 8:15 a.m.

Marriott Grand Hotel

Beachside Room

Point Clear, Alabama

AGENDA

1. Introduction of New Board Members
2. Reaction to Meeting and Action Items
3. Update on Future Meeting Locations
4. Review of Financial Information
5. Other Business
6. Adjourn