

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

OFFICE OF  
AIR AND RADIATION

**May 30, 2003**

MEMORANDUM

SUBJECT: FY 2004 Air Grant Guidance and Preliminary Allocation

FROM: Robert D. Brenner /s/  
Deputy Assistant Administrator

TO: Regional Air Division Directors  
Regions I - X

I am pleased to provide you with a copy of the "FY 2004 Grant Guidance for Selected Air and Radiation Programs," prepared by the Office of Air and Radiation (OAR). The guidance highlights the Assistant Administrator's FY 2004 priorities, explains the use and distribution of air grant resources included in the President's FY 2004 budget request, and summarizes new information available to help ensure sound grants management.

The grant guidance complements the technical program guidance provided to the Regions under separate cover on April 29, 2003. These documents should be used by the Regions in developing assistance agreements with state, tribal, local, and multi-state agencies. The annual grant guidance focuses on areas of increased emphasis or change and includes a preliminary allocation of grant funds. I will send you a final allocation once the President has signed the Agency's FY 2004 appropriations bill.

The guidance that I am sending you today does not yet include final allocations for developing and operating national air monitoring networks for fine particulate matter and air toxics. Both of these programs are at a point of transition and OAR has not yet completed consultations with state, tribal, and local partners on the appropriate distribution of funds. A well-thought out approach to monitoring will better enable us to identify the benefits of our programs and make policy choices. The distribution of resources for these two monitoring programs should reflect their evolution within the context of the Integrated Ambient Air Quality Monitoring Strategy. I anticipate making a final allocation of these funds for the 2004 fiscal year in late June 2003.

There are three key points I want to underscore about this year's guidance: first, the \$16.5 million targeted to air toxics monitoring and the \$42.5 million targeted to fine particulate

monitoring should be used only for that purpose. Both monitoring programs are Agency priorities. The amount of funds for fine particulate monitoring has been specified in our appropriations for several years. Second, no funds should be taken “off the top” of the national or regional-level allocations without prior consultation with, and concurrence of, state and local agencies. Third, the sound management of grant resources must be a priority of all headquarters and regional managers and project officers.

The guidance highlights practices essential for sound grants management. These include: reminders on the applicability of the STAG Use Guidance (e.g., eligible recipients and proper statutory authority); (b) the promotion of competition, where appropriate; (c) ensuring effective oversight of assistance agreements; and (d) attributing results to resources expended. Appendix B of the guidance reinforces the relationship between the funds awarded, the activities to be undertaken, and the expected programmatic and environmental outcomes and results to be achieved through Regions’ grant agreements with their state, tribal, local, and multi-state recipients.

On April 2, 2003, OAR distributed a draft version of the guidance for external review. We requested comment from ECOS, STAPPA-ALAPCO, and NTAA, as well as individual state, local, and multi-jurisdictional agencies. A number of responders provided thoughtful comments, which are summarized in the attached table along with our responses. The major comments centered on: (a) the overall level and distribution of section 105 grants; and (b) the targeting of the increase in grant dollars exclusively to air toxics monitoring.

We understand that many areas have begun efforts to adopt measures for early reductions and to revise their state implementation plans to address the revised NAAQS during the latter part of FY 2004. We encourage Regional flexibility in the upcoming grant negotiations to facilitate this work.

Please let us know if the guidance requires any clarification or if you need additional information as you negotiate results-based FY 2004 workplans with state, tribal, local and multi-jurisdictional agencies.

#### Attachments

cc: OAR Office Directors  
Regional Air Program Managers  
Regional Air Grant Coordinators  
OAR Planning Officers