NACAA
national association of clean air agencies

Testimony of S. William Becker
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Before the House Appropriations Committee
Subcommittee on Interior, Environment, and Related Agencies
Regarding the FY 2015 Budget for the U.S. Environmental Protection Agency
April 10, 2014

Good morning. I am Bill Becker, Executive Director of the National Association of Clean Air Agencies (NACAA). I am here today on behalf of NACAA to provide recommendations on the budget for the U.S. Environmental Protection Agency (EPA), particularly grants to state and local air pollution control agencies under Sections 103 and 105 of the Clean Air Act, which are part of the State and Tribal Assistance Grant (STAG) program. Specifically, NACAA recommends that: 1) grants to state and local air quality agencies be increased by $35 million above the President's FY 2015 request, raising the total to $278.2 million; 2) state and local air pollution control agencies be provided with the flexibility to determine how best to use any additional resources; and 3) grant funds for fine particulate matter monitoring remain under Section 103 authority, rather than being shifted to Section 105 authority, as EPA is proposing. I will explain our recommendations more fully in my testimony.

NACAA is a national, non-partisan, non-profit association of air pollution control agencies in 42 states, the District of Columbia, four territories and 116 metropolitan areas. The members of NACAA have the primary responsibility under the Clean Air Act for implementing our nation's clean air program. The air quality professionals in our member agencies have vast experience dedicated to improving air quality in the United States. These observations and recommendations 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.

1. NACAA Recommends a $35-Million Increase Above the President's Request

The President's budget request for FY 2015 proposes to increase federal funding for state and local air quality grants by $15 million over FY 2014 levels (for a total of $243.2 million). Within the request, there is a proposed increase of $24.3 million for implementing greenhouse gas (GHG) activities. While we support additional funding for new GHG activities that will be required of us, we are disappointed that part of this increase would be obtained by shifting – essentially cutting – $9 million from the "core" programs of state and local air pollution control agencies, which are the foundation of our clean air implementation efforts. We are gratified that the budget request recognizes the important work of state and local agencies to protect public health; however, a net increase of $15 million above FY 2014 levels is not nearly enough. Accordingly, we are requesting an increase of $50 million above the amount appropriated in FY 2014 – or $35 million above the President's FY 2015 request – for state and local air agencies to carry out their responsibilities.

State and Local Air Quality Agencies Face Many Challenges

Section 101(a)(3) of the Clean Air Act finds that air pollution control is the "primary responsibility of States and local governments." Accordingly, these agencies are continuously required to implement numerous, extremely important programmatic responsibilities to obtain and maintain healthful air quality for our country. These include not only new programs, but also ongoing activities that constitute the "core" of our clean air efforts, that is, the day-to-day responsibilities that are the foundation of our programs.

One new initiative facing state and local air agencies, for which EPA is proposing increased funds, is the implementation of regulations to address greenhouse gases under Section 111 of the Clean Air Act. State and local agencies will be required to lay the groundwork to develop approvable state plans to meet Section 111(d) emission guidelines for reducing carbon dioxide. Additionally, state and local agencies will need funds for the collection, review and use of GHG emission data, as well as to support state and local permitting activities for new and existing sources of GHG emissions that trigger permitting requirements as established in the GHG Tailoring Rule.

In addition to these new efforts, state and local air agencies must also continue their ongoing activities and core programs. These are the foundation of our clean air implementation efforts. For example, among the many tasks facing air quality agencies are those associated with the implementation of 1) the health-based National Ambient Air Quality Standards, including particulate matter, ozone, sulfur dioxide, lead and carbon monoxide; 2) air toxics rules; 3) motor vehicle and fuels programs; and 4) permitting programs, including for "minor" sources.

For both the new activities and the ongoing programs, state and local air agencies must carry out a variety of resource- and labor-intensive activities. These include, among others, developing plans, including State Implementation Plans (SIPs); compiling comprehensive emission inventories; carrying out complex modeling; analyzing extensive data; expanding and operating monitoring networks; adopting and enforcing regulations; addressing complicated transport issues; and informing and involving the public in air quality decisions and issues.

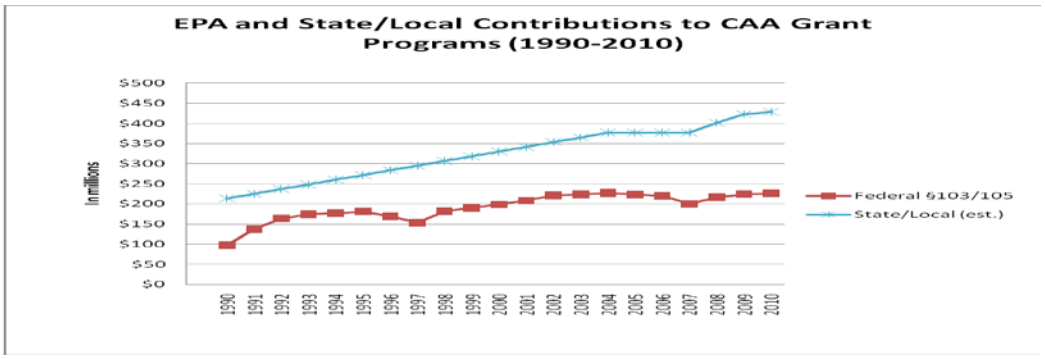
State and Local Air Agencies Have Long Been Underfunded

State and local air quality agencies have struggled with insufficient resources for many years. A study NACAA conducted several years ago revealed an annual shortfall of $550 million in federal grants for state and local air programs.[1] The adverse economic situation at the state and local levels strains already overburdened budgets and causes air agencies to make painful choices to cut air pollution programs that are important for public health and/or eliminate staff. Due to these economic hardships, states and localities increasingly rely on federal contributions.

Section 105 of the Clean Air Act authorizes the federal government to provide grants for up to 60 percent of the cost of state and local air programs, while states and localities must

[1] *Investing in Clean Air and Public Health: A Needs Survey of State and Local Air Pollution Control Agencies, (April 2009), NACAA, www.4cleanair.org/Documents/reportneedssurvey042709.pdf*

provide a 40-percent match. In reality, state and local air agencies provide over three-fourths of their budgets (not including permit fees under the federal Title V program), while federal grants constitute only one quarter. State and local agencies are certainly providing more than their fair share of the resources necessary, as the following table demonstrates:



In addition to this inequity, the purchasing power of federal grants has decreased due to inflation. In fact, between FY 2000 and 2014, purchasing power has decreased by nearly 16 percent. All this has taken place while state and local responsibilities have expanded each year.

While we recognize the current economic climate does not allow for full federal funding of all the necessary air programs, we hope that Congress will recognize the critical importance of public health and air quality and provide much-needed increases to these important programs.

Our Air Pollution Problem Has Not Been Solved

Federal, state and local efforts to implement the Clean Air Act have been hugely successful in providing significant health and welfare benefits throughout most areas of the country. Yet, notwithstanding this progress, much remains to be done. According to EPA,

> [S]ince passage of the Clean Air Act Amendments in 1990, nationwide air quality has improved significantly. Levels of those pollutants linked to the greatest health impacts continue to decline. From 2003 to 2012, population-weighted ambient concentrations of fine particulate matter and ozone have decreased 26 percent and 13 percent, respectively. Even with this progress, in 2012 approximately 45 percent of the U.S. population lived in counties with air that did not meet health-based standards for at least one pollutant.[2]

With respect to hazardous air pollutants (HAPs), federal rules, implemented by state and local air pollution control agencies, are estimated to reduce HAP emissions by approximately 1.5 million tons per year.[3] However, in spite of this progress, EPA's latest HAP data showed that the *entire* population of the United States had an increased cancer risk of over 10 in one million (one in one million is generally considered "acceptable") in 2005, due to exposure to a variety of HAPs included in EPA's analysis.[4]

[2]FY 2015 EPA Budget in Brief (March 2014), page 13
[3] www.epa.gov/ttn/atw/allabout.html
[4]National Air Toxics Assessment for 2005 – Fact Sheet, http://www.epa.gov/ttn/atw/nata2005/05pdf/sum_results.pdf

The sad fact is more people die or get sick from air pollution than from almost any other problem under this Subcommittee's jurisdiction. Tens of thousands of people die prematurely each year[5] and many others suffer serious health problems as a result of exposure to air pollution. According to EPA, "[l]ong-term exposure to elevated levels of certain air pollutants has been associated with increased risk of cancer, premature mortality, and damage to the immune, neurological, reproductive, cardiovascular, and respiratory systems."[6] Additionally, air pollution exposure is associated with adverse effects on learning, memory, IQ and behavior.

2. NACAA Recommends Flexibility in the Use of Grant Increases

While NACAA is pleased that the budget request includes increased grant funding for climate-related responsibilities facing state and local air agencies, we are concerned that some of it would come at the expense of state and local core programs, which are essential to our efforts. We strongly believe that significant increases are required for both. Rather than target specific amounts for climate or other air programs, we recommend that state and local air agencies be given the flexibility to use any additional grants for whatever efforts are of the highest priority to them, whether they are climate-related or other clean air activities, including core programs.

3. NACAA Recommends that Authority for Monitoring Grants Remain Under Section 103

EPA has once again proposed to begin shifting funds for fine particulate matter ($PM_{2.5}$) monitoring from Section 103 authority, where no match is needed, to Section 105, which would require additional matching funds. In the past, you have responded favorably to our requests to keep these funds under Section 103 authority, which we very much appreciate. We are making the same request today for FY 2015. For individual agencies that have concerns about the matching requirements, this will ensure that they do not have to refuse these critically needed monitoring funds simply because they do not have the resources to provide the required match. We recommend that Congress call for these grants to be provided under Section 103 authority.

Conclusion

While we appreciate the proposed increase to state and local air grants contained in the President's FY 2015 budget request, it is insufficient for the state and local air agencies that are being called upon to take on significant new responsibilities and continue their current activities and it does not provide sufficient flexibility on how the funds are spent. Accordingly, NACAA recommends that Congress provide an increase of $35 million above the President's request for FY 2015 for grants to state and local air agencies under Sections 103 and 105 of the Clean Air Act, for a total of $278.2 million and that state and local agencies be provided with the flexibility to use any additional funds for the highest clean air priorities in their areas. Additionally, NACAA recommends that grant funds for fine particulate matter monitoring remain under Section 103 authority, rather than being shifted to Section 105 authority, as EPA is proposing.

Thank you for this opportunity to testify on this important issue and for your consideration of the funding needs of state and local air quality programs.

[5] http://epa.gov/ncer/science/pm/
[6] Draft FY 2014-2018 EPA Strategic Plan (November 19, 2013), page 8