

**Testimony of the National Association of Clean Air Agencies
Provided to the House Appropriations Committee
Subcommittee on Interior, Environment, and Related Agencies
Regarding the FY 2014 Budget for the U.S. Environmental Protection Agency
April 25, 2013**

On behalf of the National Association of Clean Air Agencies (NACAA), thank you for this opportunity to testify on the FY 2014 proposed budget for the United States Environmental Protection Agency (EPA). NACAA supports the President's request for a \$21.5-million increase (over the FY 2012 enacted budget) in federal grants for state and local air pollution control agencies under Sections 103 and 105 of the Clean Air Act, under the State and Tribal Assistance Grant (STAG) account (for a total of \$257.2 million). Additionally, NACAA supports retaining funding for fine particulate matter (PM_{2.5}) monitoring under Section 103 authority, rather than shifting it to Section 105 authority.

NACAA is a national, non-partisan, non-profit association of air pollution control agencies in 43 states, the District of Columbia, four territories and over 116 metropolitan areas. The members of NACAA have the primary responsibility under the Clean Air Act for implementing the nation's clean air program. The air quality professionals in our member agencies have vast experience dedicated to improving air quality in the U.S. The comments we offer are based upon that experience. The views expressed in this testimony do not represent the positions of every state and local air pollution control agency in the country.

State and Local Air Quality Programs Face Significant Funding Deficits

State and local air pollution control agencies have been facing significant funding deficits for many years, with adverse impacts on their ability to implement the federally mandated core elements of the clean air program. A study NACAA conducted several years ago showed that there is an annual shortfall of \$550 million in federal grants for state and local air programs.¹ While the resource needs for these vitally important state and local programs are substantial and the proposed increase would not eliminate the deficit, we understand that full funding in the current economic climate is unlikely. We appreciate the Administration's recognition of the importance of clean air and we believe the proposed increase is essential for our efforts to obtain and maintain healthful air quality.

State and local air agencies do more than their fair share to provide resources for their air quality efforts. 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 state and local agencies are required to provide a 40-percent match. However, the reality is that state and local air quality programs, on average, supply 77 percent of their budgets (not counting permit fees under the federal Title V program), while federal grants total only 23 percent.

¹ *Investing in Clean Air and Public Health: A Needs Survey of State and Local Air Pollution Control Agencies*, (April 2009), NACAA, <http://www.4cleanair.org/Documents/Reportneedssurvey042709.pdf>.

To make matters worse, the grants these agencies receive have decreased in purchasing power over recent years due to inflation. For example, between FY 2000 and FY 2011, the purchasing power of federal grants decreased by 9 percent. This decline, along with unrelenting and increasing responsibilities, has made it difficult for many states and localities to keep their essential air quality programs operating.

Many agencies have reported reductions in and/or elimination of programs, as well as diminishing staff levels. According to a recent survey that the Environmental Council of the States (ECOS) conducted, 37 states reported that 2,112 environmental agency positions have been eliminated or held vacant due to budget limitations in FY 2010.² State and local agencies find it difficult to operate in the midst of these types of staffing woes, as it is hard to recover from the loss of trained and valuable staff.

The impacts of program reductions due to economic conditions are significant. Many NACAA agencies report worrisome program contractions, including reductions and/or elimination of activities related to the following: monitoring, including curtailment of monitoring and/or analysis activities or even closing down of monitoring sites; permitting for major and minor sources, resulting in delay and backlogs in permit issuance and reduced permitting assistance to sources; inspections of sources, including for compliance purposes; air toxics programs, including implementing federal air toxics standards and taking delegation of federal area source standards; public education and outreach; emissions inventory work; training; data analysis; citizen-complaint response; rulemaking; development of State Implementation Plans (SIPs); and motor vehicle-related programs.³ In an era in which the public expects immediate information and rapid responses to their concerns, this loss of capacity is even more of a challenge.

It is important to remember that well-funded and well-operated air quality agencies can serve their communities better through more efficient permitting and compliance assistance, among other things. Considering those benefits, as well as the fact that the public's health and welfare are at risk, it does not make sense to underfund these critical programs. However, since the economy has been slow to recover, air agencies will continue to make painful decisions, such as reducing or cutting air programs that protect public health. During these hard economic times, federal grants are more essential than ever.

We fully understand that Congress must allocate ever-scarcer resources among many commendable programs. However, it is worth noting that improvements in air quality are very cost effective and beneficial to our economy. More healthful air quality results in lower health-care costs and a more productive workforce. An EPA analysis has shown that the benefits of the Clean Air Act since 1990 have exceeded the costs by over 30 to one.⁴ This is a return on an investment the likes of which few programs can claim.

² *ECOS Green Report – Impacts of Reductions in FY 2010 on State Environmental Agency Budgets* (March 2010), Environmental Council of the States, http://ecos.org/files/4011_file_March_2010_ECOS_Green_Report.pdf.

³ NACAA Letter to Leadership of House Appropriations Subcommittee on Interior, Environment, and Related Agencies (June 28, 2011), <http://www.4cleanair.org/Documents/NACAAlettertoHousewithstaffstudy2011.pdf>.

⁴ *The Benefits and Costs of the Clean Air Act Amendments from 1990 to 2020* (March 1, 2011), EPA, <http://www.epa.gov/air/sect812/feb11/summaryreport.pdf>.

The Increases Will Support Essential Programs

As stated earlier, the Administration has requested a \$21.5-million increase (over the FY 2012 enacted budget) in federal grants for state and local air pollution control agencies, for a total of \$257.2 million. These additional funds can be put to good use to support our core programs – which are the foundation of the air program and include day-to-day responsibilities – and monitoring, among other things. The list of activities for which state and local agencies need federal funding is extremely long, but here are just a few of the things these agencies must do in FY 2014 that the Administration’s proposed funding level would support:

- develop state strategies (i.e., SIPs) to implement the health-based National Ambient Air Quality Standards (NAAQS), which will include complex modeling, development of emission inventories and public involvement;
- make recommendations for area designations and develop supporting documentation for the fine particle (PM_{2.5}) NAAQS issued in 2012;
- implement the eight-hour ozone and lead NAAQS that were issued in 2008;
- implement the one-hour nitrogen dioxide (NO₂) NAAQS and the one-hour sulfur dioxide (SO₂) NAAQS from 2010;
- continue the implementation of previous PM_{2.5} and ozone NAAQS;
- continue implementation of permitting requirements for greenhouse gases, sulfur dioxide, NO₂ and PM_{2.5};
- implement changes to PM_{2.5} monitoring requirements related to recent revisions to the particulate matter NAAQS;
- continue operation of multi-pollutant monitoring site networks;
- deploy near-road NO₂ monitoring stations, some of which will include carbon monoxide monitoring;
- implement and enforce EPA regulations to address hazardous air pollutants (HAPs), including Maximum Achievable Control Technology (MACT) standards and area source programs; and
- monitor, collect and analyze emissions data related to HAPs.

Monitoring Funds Should Remain under Section 103

The President’s budget request includes a provision whereby PM_{2.5} monitoring funds would begin to be shifted, over a four-year period, from Clean Air Act Section 103 authority, where matching funds are not needed, to Section 105, which would require additional matching

funds. While we appreciate that the budget request would retain level federal funding for PM_{2.5} monitoring, we request that these funds remain under Section 103 authority, as they have in the past, rather than being shifted to Section 105 authority. For any state or local agencies with concerns about the matching requirements, this will ensure that they can continue receiving these critical monitoring funds.

Why Are Clean Air Programs So Important?

We have discussed the funding shortfalls that exist and how state and local programs are in need of additional resources. But why is it so important that these public health programs be adequately funded? It is because air pollution causes tens of thousands of premature deaths every year and results in many more people suffering serious health problems. These include the aggravation of respiratory and cardiovascular diseases; damage to lung tissue, irregular heartbeat, heart attacks, difficulty breathing; increased susceptibility to respiratory infections; adverse effects on learning, memory, IQ, and behavior; and cancer. Air pollution also harms vegetation and land and water systems, impairs visibility and causes other adverse impacts.

This is indeed a public health crisis, with the widespread adverse effects spanning the United States, affecting millions of people. EPA estimates that 124 million people in the country lived in areas that violated at least one of the health-based NAAQS in 2010.⁵ EPA's most recent data on toxic air pollution showed that *everyone* in the United States had an increased cancer risk of over 10 in one million (one in one million is generally considered "acceptable").⁶

What is notable is that some of these deaths and adverse health impacts are *preventable* through programs designed to reduce air pollution. That is why it is so critical that state and local air quality programs, the implementers of the federal Clean Air Act, be adequately funded to carry out their mission.

Conclusion

Increases in federal grants for state and local air pollution control agencies are essential if they are to continue their core activities and address some of the new requirements mandated by federal law and regulation. While the need for federal grants far exceeds the proposed amount, state and local agencies appreciate any increase provided and would put the additional funds to excellent use.

NACAA supports the FY 2014 budget request for federal grants to state and local air quality agencies under Sections 103 and 105 of the Clean Air Act, which is \$257.2 million (\$21.5 million over the FY 2012 enacted budget). Also, NACAA supports retaining funding for PM_{2.5} monitoring under Section 103 authority, rather than shifting it to Section 105 authority.

Thank you for this opportunity to testify and for considering the efforts of state and local air quality programs as they improve and protect public health.

⁵ *Our Nation's Air: Status and Trends Through 2010* (February 2012), EPA, www.epa.gov/airtrends/2011/.

⁶ National Air Toxics Assessment for 2005 - Fact Sheet, www.epa.gov/ttn/atw/nata2005/05pdf/sum_results.pdf.