

MINUTES

**NACAA
BOARD OF DIRECTORS AND COMMITTEE CHAIRS
WINTER MEETING BY CONFERENCE CALL**

**Monday, January 25, 2010
2:00 p.m. – 5:00 p.m. EST**

I. Introductions and Review of Agenda

NACAA Executive Director Bill Becker conducted roll call and introduced Misti Duvall, NACAA's new Staff Associate.

Board members present included Arturo Blanco (Houston, Texas), Rick Brunetti (KS), Colleen Cripps (NV), Joyce Epps (PA), Andy Ginsburg (OR), Anne Gobin (CT), Larry Greene (Sacramento, CA), Vince Hellwig (MI), Cheryl Heying (UT), Jim Hodina (Cedar Rapids, IA), Merlyn Hough (Springfield, OR), Lynne Liddington (Knoxville, TN), John Lyons (KY), Dave Shaw (NY), Richard Stedman (Monterey, CA) and Mary Uhl (NM). Committee Chairs (who are not also Board Members) present included Tad Aburn (MD), Bruce Andersen (Kansas City, KS), Mary Boyer (CA), Stu Clark (WA), Bob Colby (Chattanooga, TN), Bob Hodanbosi (OH), Ursula Kramer (Tucson, AZ), Dennis McLerran (Seattle, WA), Bill O'Sullivan (NJ), John Paul (Dayton, OH), Shelley Schneider (NE), Nancy Seidman (MA), Eddie Terrill (OK), David Thornton (MN), Dick Valentinetti (VT) and Michael Vince (LA). NACAA staff in attendance included Bill Becker (Executive Director), Stephanie Cooper (Office Manager), Mary Sullivan Douglas (Senior Staff Associate), Misti Duvall (Staff Associate), Nancy Kruger (Deputy Director) and Amy Royden-Bloom (Senior Staff Associate).

NACAA Co-President Vince Hellwig (MI) called the meeting to order and welcomed attendees. NACAA Co-President Larry Greene (Sacramento, CA) reviewed the agenda (a copy of which is attached).

II. Discussion of 2010 NACAA-EPA Retreat

In preparation for the NACAA-EPA Retreat scheduled for February 4, 2010, the leads for each of the four topics on the retreat agenda briefly identified the key issues to be discussed. It was emphasized that the purpose of the retreat was not to hear status reports, but to identify issues and either resolve them or decide on a process for doing so.

Funding

Andy Ginsburg (OR), Co-Chair of the NACAA Program Funding Committee, recommended that the funding discussion at the retreat start with a reinforcement of the importance of partnership among federal, state and local agencies. He said the meeting participants should describe the funding challenges that state and local agencies face and identify the issues for which additional funding would be necessary. He and Bruce Andersen

(Kansas City, KS), Co-Chair of the NACAA Program Funding Committee, suggested that NACAA members provide EPA with specifics about the difficulties they face due to budget shortfalls. The members agreed that the discussions at the retreat should also address how agencies can conserve resources or do more with less.

The members also discussed EPA's proposed reallocation of section 105 funds among the regions and decided that they did not wish to spend a lot of time discussing it at the retreat. However, they thought it would be appropriate to ask EPA for a status report on the agency's effort.

GHG Implementation

Bill Becker reported that the responses to NACAA's comments on the greenhouse gas (GHG) tailoring rule were generally positive and that this would likely be discussed at the retreat. Larry Greene, Co-Chair of the NACAA Global Warming Committee, emphasized the importance of discussing strategies for the future. He reported that it would be important during the retreat to hear some (but limited) updates about what EPA is working on. Besides the tailoring rule, there is interest in control options.

Following a discussion, the members agreed that it is important for EPA to issue guidance at the same time that rules are published. Additionally, they agreed it would be useful to make a list of important things EPA could do to help state and local air agencies, such as developing good guidance that is robust, defensible and timely.

Multi-Pollutant/Sector-Based Approaches

Dave Shaw (NY) reported that the discussion about multi-pollutant and sector-based approaches would focus on several topics. These include the coordination of air quality management processes and multi-pollutant programs, the role of the regional planning organizations, the technology necessary for multi-pollutant and sector-based programs and next steps for moving the idea forward. Jim Hodina (Cedar Rapids, IA) noted that there will be some overlap between the discussions of multi-pollutant/sector-based approaches and SIP reforms.

SIP Reforms

John Lyons (KY) reported that there has been a lot of discussion among state and local air agencies in the Southeast about reform to the State Implementation Plan (SIP) process. Cheryl Heying (UT) noted that there are several initiatives taking place in various regions of the country. One of the big issues is that there is a backlog of SIPs that EPA has never approved. Cheryl suggested EPA be asked to proceed with reforms that do not require changes to the Clean Air Act and can be implemented in the near term.

It was noted that there are many SIP issues to discuss, but time at the retreat for the topic is limited. Therefore, the best strategy would be for the group to identify the issues that should be addressed first and set up a process with EPA for moving forward.

The group discussed several documents that had been distributed in advance of the call and whether they should be incorporated into the discussions at the retreat. It was agreed that the substance of the documents would need to be discussed further before they could be characterized as NACAA recommendations.

III. Legislative Update

Murkowski Resolution

Amy Royden-Bloom provided an update on the joint resolution introduced by Senator Lisa Murkowski (R-AK) and NACAA's letter opposing the resolution. Pursuant to the Congressional Review Act, Murkowski's resolution would disapprove EPA's final rule finding that GHG emissions contribute to air pollution endangering public health and welfare. Enactment of the resolution would prohibit EPA from finalizing the motor vehicle GHG emissions standards. NACAA sent a letter to senators on January 20, 2010, expressing the association's opposition to the joint resolution.

Climate Legislation

Bill Becker provided an overview of the congressional landscape relative to climate legislation, highlighting various bills and reminding members that NACAA had offered substantive comments to Congress on several legislative proposals and would continue to monitor activities. He noted that a key issue for NACAA with respect to any climate bill is, and will continue to be, the preservation of state and local authorities and the ability to take action beyond what is (or is not) done federally.

Carper 3-P Bill

Bill Becker apprised members that Senator Tom Carper (D-DE) was expected to introduce three-pollutant (3-P) legislation in early February. The bill will include some improvements over the Senator's previous 3-P bill, but the NO_x limits will likely be based on an outdated scenario and, thus, less rigorous than is feasible and warranted.

Appropriations

Mary Sullivan Douglas provided a status report on the President's budget request that is expected to be announced on February 1, 2010. The request will provide details about EPA's proposed budget, including funding for state and local air grants under sections 103 and 105 of the Clean Air Act. While official information about the proposed budget is not yet available, NACAA staff has been told unofficially that the request may include an increase of \$20 million for state and local air grants over the FY 2010 amount. There have been no details about whether the funds would be earmarked for a specific activity.

Once the budget proposal is announced, Congress will take the issue up throughout the spring. NACAA has requested time to testify in the House and the association will submit written testimony in both the House and Senate.

IV. Critical Issues

Ozone NAAQS Reconsideration

Lynne Liddington (Knoxville, TN), Co-Chair of the NACAA Criteria Pollutants Committee, summarized EPA's proposal to reconsider the 2008 ozone standard. In short, EPA is proposing to follow CASAC's recommendations with respect to the level of the primary standard, the need for a separate secondary standard, the level of a secondary standard and how to calculate compliance with that secondary standard. EPA is proposing to accelerate designations for the

primary standard, so that designations would be completed in one year rather than two. There was discussion about how an acceleration of designations would speed public health protection but also how a shortened process might pose some difficulties for states. There was also discussion about implementation challenges and the need for timely and clear EPA guidance, including on how to deal with elevated background levels of ozone. NACAA's Criteria Pollutants Committee will take the lead on developing the association's comments on the proposed reconsideration.

Update on Air Enforcement Managers Meeting

Eddie Terrill (OK), Co-Chair of the NACAA Enforcement and Compliance Committee, apprised members of key issues discussed at the EPA Air Enforcement Managers Meeting he and his Committee Co-Chair, Richard Steadman (Monterey, CA), attended in October. First, EPA's Office of Enforcement and Compliance Assurance recognized that enforcement by the regions is not always consistent. Regions 4, 5 and 7 will be working to develop a methodology for consistency in applicability determinations. Second, regarding resource issues related to MACT standards, the regions are concerned that states are "piece-mealing" or not doing MACT standards. EPA is compiling a document for the regions to facilitate state MACT efforts.

Training Strategy Action Plan Development

Mary Boyer (California), Co-Chair of the NACAA Training Committee, described how a workgroup of the Training Committee was developing an action plan for the National Training Strategy. There are several conference calls planned. Mary asked that air directors encourage their staff to participate in the workgroup developing the action plan.

International Maritime Organization Consideration of North American Emission Control Area

Dennis McLerran (Seattle, WA), Co-Chair of the NACAA Mobile Sources and Fuels Committee, reported that EPA had issued its Category 3 (ocean-going vessel) rule to harmonize U.S. standards with international standards. He noted that Great Lakes shipping interests had actively pursued the exemption for steam ships (there are 14 that operate in the Great Lakes, which generally range in age from 50 to 100 years old). Finally, he reminded members that the North American Emission Control Area proposal will go before the International Maritime Organization in March for final approval.

State and Local Review of NATA Data

Bob Colby (Chattanooga, TN), Co-Chair of the NACAA Air Toxics Committee, reported that NACAA sent a letter to EPA in December 2009 requesting additional time for state and local air agencies to review the air toxics emissions inventory data that EPA will use for the 2005 National Air Toxics Assessment. EPA responded by providing four additional weeks (until February 12, 2010) for state and local review of the inventory and two additional weeks in the spring for state and local agencies to review the results of the NATA modeling. Bob encouraged Board Members and Committee Chairs to take advantage of the additional time to review the inventory data and provide corrections to EPA. He also requested that they urge other agencies in their regions to do the same. Bob noted that the final NATA information is expected to be released to the public in early May 2010.

V. NACAA Finances

Bill Becker presented and explained the NACAA financial statements, including those covering the association's non-federal funds and the operating grant (through December 31, 2009). Bill then reported on the audit of NACAA's finances, indicating that the auditors found compliance in all material respects and no material weaknesses. Electronic copies of the audit report had been provided to Board Members prior to the call.

VI. New Business

Members were asked if there were any other issues for discussion. Hearing none, the conference call adjourned at 5:10 p.m.

AGENDA

**NACAA
BOARD OF DIRECTORS AND COMMITTEE CHAIRS
WINTER CONFERENCE CALL MEETING
Call-in Number: 1-866-365-4406
Access Code: 6247864#**

**Monday, January 25, 2010
2:00 p.m. – 5:00 p.m. ET**

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| 2:00 p.m. – 2:15 p.m. | Introductions and Review of Agenda
<i>Vince Hellwig (Michigan), NACAA Co-President</i>
<i>Larry Greene (Sacramento, CA), NACAA Co-President</i> |
| 2:15 p.m. – 3:15 p.m. | Discussion of 2010 NACAA/EPA Retreat |
| 3:15 p.m. – 4:00 p.m. | Legislative Update <ul style="list-style-type: none">• Murkowski Resolution• Carper 3-P Bill• Climate Legislation |
| 4:00 p.m. – 4:50 p.m. | Critical Issues <ul style="list-style-type: none">• Ozone NAAQS Reconsideration (10 minutes) – <i>Lynne Liddington (Knoxville, TN)</i>• Update on Air Enforcement Managers Meeting (10 minutes) – <i>Eddie Terrill (Oklahoma)</i>• Training Strategy Action Plan Development (10 minutes) – <i>Arturo Blanco (Houston, TX)</i>• International Maritime Organization Consideration of North American Emission Control Area (10 minutes) – <i>Dennis McLerran (Seattle, WA)</i>• State and Local Review of NATA Data (10 minutes) – <i>Bob Colby (Chattanooga, TN)</i> |
| 4:50 p.m. – 5:00 p.m. | NACAA Finances <ul style="list-style-type: none">• Presentation of Financial Statements• Review of NACAA's 2009 Annual Audit |
| 5:00 p.m. | Adjourn |