

**Testimony of the National Association of Clean Air Agencies  
Provided to the Senate Appropriations Committee  
Subcommittee on Interior, Environment, and Related Agencies  
Regarding the FY 2011 Budget for the U.S. Environmental Protection Agency  
May 11, 2009**

The National Association of Clean Air Agencies (NACAA), representing the state and local air quality agencies in 53 states and territories and over 165 metropolitan areas across the country, appreciates this opportunity to provide testimony on the FY 2011 budget for the United States Environmental Protection Agency (EPA). NACAA supports the President's request for an \$82.5-million increase in federal grants for state and local air pollution control agencies under Sections 103 and 105 of the Clean Air Act – part of the State and Tribal Assistance Grant (STAG) program. This would raise the total amount for Section 103/105 air grants to state and local air agencies to \$309.1 million.

**Air Pollution Presents a Serious Public Health Threat**

Air pollution is one of the most pressing public health problems facing our nation. In this country alone, exposure to polluted air results in the deaths of tens of thousands of people prematurely every year and causes many other serious health problems, such as the aggravation of respiratory and cardiovascular disease; decreased lung function; difficulty breathing; coughing; increased susceptibility to respiratory infections; effects on the brain, such as IQ loss and impacts on learning, memory, and behavior; and cancer. For sensitive populations, such as the elderly, children or individuals with underlying health problems, the risks are even greater. Air pollution is also damaging in other ways, including harming vegetation and land and water systems, impairing visibility and causing adverse impacts on climate.

Exposure to air pollution is widespread. According to EPA data, approximately 127 million people lived in counties that exceeded at least one of the health-based national ambient air quality standards (NAAQS) in 2008.<sup>1</sup> When a new health-based standard for ozone is issued, this number will likely be higher. With respect to hazardous air pollutants, also called “air toxics,” EPA estimates that nearly everyone in the U.S. has an increased cancer risk of greater than 10 in one million (one in one million is generally considered “acceptable”).<sup>2</sup> Air pollution probably causes more deaths than any other problem under this Subcommittee's jurisdiction.

**The President's Request Recognizes the Importance of Healthful Air Quality**

As stated at the outset, NACAA supports the President's request of \$309.1 million for state and local air grants, which represents an increase of \$82.5 million above the amount appropriated in FY 2010, and strongly urges Congress to appropriate funds at this level. Even though this increase will not fully address the funding deficit that state and local air agencies

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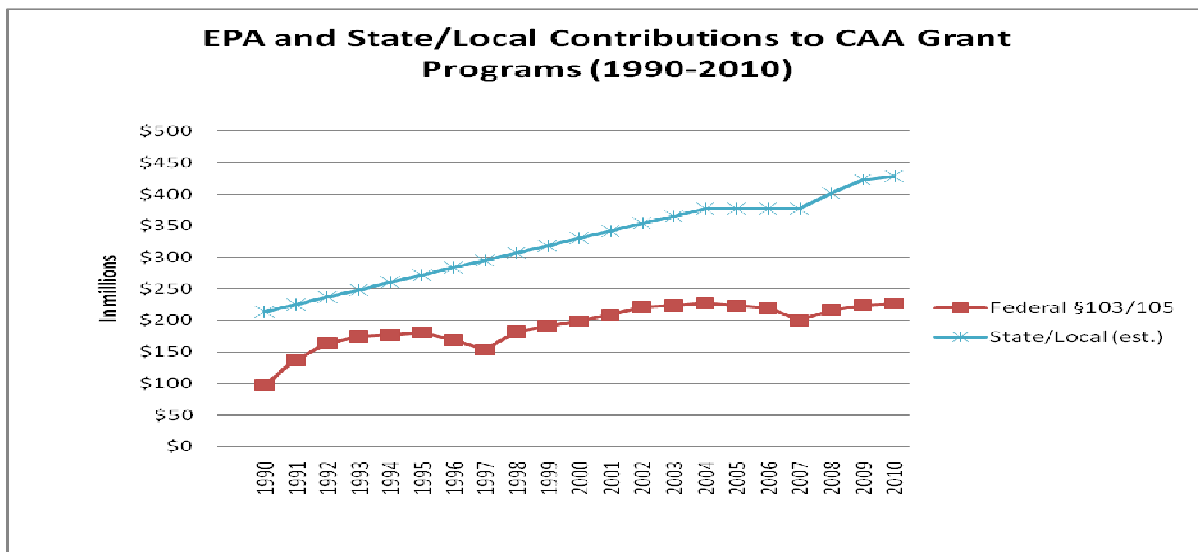
<sup>1</sup> *Our Nation's Air: Status and Trends Through 2008* (February 2010), EPA, [www.epa.gov/airtrends/2010/](http://www.epa.gov/airtrends/2010/).

<sup>2</sup> National-Scale Air Toxics Assessment for 2002 - Fact Sheet, [www.epa.gov/ttn/atw/nata2002/factsheet.html](http://www.epa.gov/ttn/atw/nata2002/factsheet.html)

have been facing for many years, which will be discussed further in a moment, it will be enormously helpful as we continue our existing programs and take on additional responsibilities in FY 2011. Such an increase, especially during these difficult economic times, is recognition by the Administration that clean air is critically important to public health and the welfare of this country and that the benefits of reducing air pollution far outweigh the costs of the program. We are very grateful for the President’s support of our efforts and hope that Congress will appropriate the requested amount in recognition of the importance of protecting public health.

**State and Local Air Quality Efforts are in Need of Significant Increases**

State and local air quality agencies have struggled with insufficient resources for many years. 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 provide a 40-percent match. In reality, however, state and local air agencies report that they provide 77 percent of their budgets (not including permit fees under the federal Title V program), while federal grants constitute only 23 percent. Clearly state and local agencies are providing far more than their fair share of the funding. The chart below illustrates these funding trends.



Moreover, the continuing adverse impacts of the recession at the state and local levels strain already stressed budgets and cause states and localities to make painful decisions to reduce funding or cut air programs that are important for public health. As a result, states and localities must increasingly rely on federal contributions. Unfortunately, federal grants to these agencies (as the chart shows) have remained relatively stagnant and the purchasing power of state and local agency resources has actually *decreased* due to inflation. In fact, in terms of purchasing power, federal grants have decreased by nearly 10 percent between FY 2000 and FY 2010. At the same time, the responsibilities these public health agencies face have increased dramatically.

Last year, NACAA conducted a survey of state and local air pollution control agencies, requesting information about the additional resources they need to fulfill responsibilities that are

fundamental to their programs.<sup>3</sup> The results of this study show there is an annual shortfall of \$550 million in federal grant appropriations for state and local air programs. These agencies cannot carry out their programs effectively with such enormous deficits. Insufficient funds and increasing workloads have combined to undermine the ability of state and local agencies to adequately address air pollution and protect public health.

While the President's request does not fully address all our funding needs, it will be very helpful as we continue our efforts to obtain and maintain healthful air quality for our nation. Because state and local agencies already provide 77 percent of their budgets, meeting the 40-percent match associated with this increase nationally should not be a problem.

### **The President's Budget Request Will Provide Funds for Critical Programs**

The proposed budget calls for increases in three primary areas: Core Activities (\$45 million), Increasing Capacity for Greenhouse Gas Permitting (\$25 million); and Monitoring (\$12.5 million). All of these efforts are extremely important and are in need of increased financial support. The following are a few words about each one.

*Core Activities* – We commend the President for recognizing the importance of state and local agencies' core programs, as illustrated by the request for an additional \$45 million in grant funds to support those activities. While new and innovative efforts are important and necessary, we cannot forget how critical the ongoing core programs are, including the day-to-day activities that serve as the foundation of our programs. For example, the additional funds will supplement the existing resources used for continuing program responsibilities and support the increasing workload that state and local air agencies face as EPA updates its health-based National Ambient Air Quality Standards. Agencies will be required to update or prepare new State Implementation Plans (SIPs) for ozone, nitrogen dioxide, sulfur dioxide, lead and fine particulates. For example, SIPs for the 2006 PM<sub>2.5</sub> standard are due in November 2012, for the new lead standard in 2011 and 2012, and for the new ozone standard in 2013. State and local agencies must begin developing these plans, which will require increasingly complex tasks, such as addressing multi-pollutant and multi-state transport issues, compiling emission inventories, carrying out sophisticated modeling exercises, significantly expanding and operating monitoring networks and adopting and enforcing regulations, among other responsibilities.

*Increasing Capacity for Greenhouse Gas Permitting* – State and local agencies need to expand their capacity with respect to greenhouse gases (GHGs) so that they are able to transition to whatever GHG program EPA develops. For example, once GHGs are a "regulated pollutant" under the Clean Air Act, states and localities will be required to issue New Source Review permits for new and modified sources under the "Prevention of Significant Deterioration" (PSD) program and Title V operating permits for existing sources. The \$25-million increase would be used to prepare for these additional tasks by supporting staff development and training, program planning and analysis, source identification, outreach to industry and responding to the public.

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<sup>3</sup> *Investing in Clean Air and Public Health: A Needs Survey of State and Local Air Pollution Control Agencies*, NACAA (April 2009).

*Monitoring* – State and local agencies must increase monitoring activities to address the new and revised standards related to ozone, lead, nitrogen dioxide and sulfur dioxide. Additionally, the public is demanding more monitoring of hazardous air pollution in locations where the public lives, works, attends school and plays. These efforts will require the purchase of additional ambient air monitoring equipment that will provide much-needed information about the levels of pollutants in the air and, later, the success of control measures. The President’s request calls for an additional \$15.0 million for the acquisition of new monitoring equipment in FY 2011 (\$12.5 million in new funding and \$2.5 million reprogrammed from air toxics monitoring at schools). While this amount is not sufficient to address *all* the additional monitoring needs, it will be very helpful for state and local agencies as they expand their monitoring capabilities to address the new and revised standards, as well as hazardous air pollutants.

We note that EPA is once again recommending that fine particulate monitoring funds be shifted from Section 103 authority, where no match is needed, to Section 105, which would require additional matching funds. We request that these funds remain under Section 103 authority, as they have in the past. For individual agencies that have concerns about the matching requirements, this will ensure that they can continue receiving these monitoring funds.

### **Diesel Retrofit Funding Should Be Increased**

NACAA is a member of a broad coalition representing public-interest, environmental, business and governmental organizations, among others. The coalition recommends that Congress provide \$100 million in FY 2011 for programs authorized by the Diesel Emissions Reduction Act (DERA), which is an increase of \$40 million above the President’s request. The DERA programs are intended to decrease the amount of harmful microscopic particles in the ambient air resulting from diesel exhaust. NACAA urges Congress to provide this funding to these important efforts.

### **Conclusion**

The President’s budget request calls for a much-needed increase in grants to state and local air quality agencies at a time when these entities are required to continue their efforts and take on significant new responsibilities. While these increases would not fully address the enormous funding deficit that these programs face, they are a step in the right direction and would be vastly helpful to state and local air quality programs.

NACAA recommends, therefore, that Congress appropriate the amount contained in the President’s FY 2011 request for federal grants to state and local air quality agencies under Sections 103 and 105 of the Clean Air Act, which is \$309.1 million. This represents an increase of \$82.5 million above the FY 2010 appropriated amount. Additionally, NACAA recommends that DERA programs be funded in the amount of \$100 million, which is \$40 million above the President’s recommended amount.

Thank you for this opportunity to testify on this important issue and for your consideration of the resource needs of state and local air quality programs as they work to improve and protect public health.