

June 10, 2024

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To Whom It May Concern:

On behalf of the National Association of Clean Air Agencies (NACAA), thank you for this opportunity to provide comments on the U.S. Environmental Protection Agency (EPA) FY 2025-2026 Draft National Program Guidances for the Office of Air and Radiation (OAR) and the Office of Enforcement and Compliance Assurance. NACAA is the national, nonpartisan, nonprofit association of 157 air pollution control agencies in 40 states, including 117 local air agencies, the District of Columbia and four territories. The air quality professionals in NACAA's member agencies have vast experience dedicated to improving air quality in the United States. These comments are based upon that experience.

The draft guidance documents are reflective in part of the Administration's FY 2025 budget request, which calls for \$400.2 million in grants for state and local air pollution control agencies under Sections 103 and 105 of the Clean Air Act (CAA). While this would represent an increase over the FY 2024 budget, NACAA is very concerned that this is not nearly enough. NACAA recommends that federal grants under Sections 103 and 105 be increased to \$500 million annually, beginning in FY 2025. This is approximately \$100 million above the President's proposed budget for FY 2025 and an increase of \$264 million over the FY 2024 appropriation of \$236 million.

Many state and local agencies have experienced inadequate funding for basic responsibilities that are the very foundations of their programs. These include monitoring, permitting, enforcement, wildfire response, staffing, training, planning, regulatory development, public outreach and community support. Increases in funding would provide for continuation of these essential tasks. Additionally, state and local air agencies face increasing responsibilities in the future that will require more funding resources.

We believe it is critically important that state and local air quality programs receive the funding necessary to continue their efforts to protect public health. Therefore, NACAA urges EPA and the Administration to do whatever it must to ensure that federal air grants to state and

local air pollution control agencies in FY 2025 and beyond are increased above current levels, as we are recommending.

NACAA has reviewed the draft NPM guidance documents and is providing comments on the attached template that EPA has provided. Thank you for your consideration of our comments and recommendations. We look forward to having the opportunity to discuss these issues with you. Please do not hesitate to contact Mary Sullivan Douglas (<u>mdouglas@4cleanair.org</u>) or Miles Keogh (<u>mkeogh@4cleanair.org</u>) of NACAA, or either of us, if you need additional information.

Sincerely,

Michelle W. averly

Michelle Walker Owenby Tennessee Co-Chair NACAA Program Funding Committee

cc: Beth Burchard (OCFO) Dominic Nelson (OCFO)

Rollin Sachs Johnson County, Kansas Co-Chair NACAA Program Funding Committee

Comments of the National Association of Clean Air Agencies' Comments on EPA's Draft FY 2025-2026 National Program Guidances June 10, 2024

Comment	Location in Draft Guidance	Office Issuing NPG	Comme nter
The following comments pertain to the Office of Air and Radiation's	(OAR) draft a	available a	t:
https://www.epa.gov/system/files/documents/2024-04/fy25-26-	<u>-oar-draft-npg</u>	.pdf	
EPA states: "EPA regions and air agencies are encouraged to use the established workplanning process to provide flexibility and tailor work expectations to meet local circumstances, as appropriateEPA regions will work collaboratively with air agencies to prioritize activities and commitments and agree on the level of effort within available resource levels." Additionally, EPA states: "OAR recognizes that there will not be enough resources to do everything and not all programs and requirements apply in the same way everywhere. Also, recognizing that circumstances can change during the course of a year due to court decisions, state or federal legislative action, budget issues, or other events, EPA is prepared to work collaboratively with air agencies to adjust commitments and expectations to meet changing priorities, as necessary and appropriate." NACAA is gratified that EPA acknowledges the importance of flexibility in determining how best to use scarce resources, since priorities will vary throughout the nation, and supports EPA's plan to work collaboratively with state and local agencies to adjust workplans as needed. However, not all programs are designed for a single purpose. For example, the NAAQS program is distinctly different from the Regional Haze program under the Clean Air Act. While NACAA applauds flexibility in the process, air programs need clear direction from EPA as to what will or will not be approvable early enough in the process so they can ensure their public processes include the totality of what will encompass the final plan or solution targeted toward the goal of what the Clean Air Act is trying to accomplish in the specific program.	Page 1-2 (Introduction) Page 33 (Flexibility and Grant Planning)	Office of Air and Radiation (OAR)	National Associati on of Clean Air Agencies (NACAA)

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Add "local jurisdictions" after "states."	Page 5 (Introduction) first paragraph, line 3	OAR	NACAA
 NACAA supports the stated intent that, "In FY 2025 and 2026, EPA will work with air agencies to achieve and maintain compliance with the NAAQS, including the 2024 particulate matter (PM_{2.5}) standards as well as standards established in 2012, 2006, and 1997; the ozone standards established in 2015, 2008, 1997, and 1979" and "EPA will continue to work closely with air agencies on all aspects of implementing the NAAQS. In particular, during FY 2025 EPA anticipates being in the process of designating areas of the country for the revised 2024 PM_{2.5} NAAQS." NACAA stresses the importance of EPA working "closely with air agencies on all aspects of implementing the NAAQS" and urges EPA to commit to substantially <i>increase</i> its engagement with our association and members and take advantage of the ability of our association to bring together its large membership of state and local air agencies to engage with EPA. In addition, with respect to implementation of the newly revised PM_{2.5} NAAQS, NACAA urges EPA to be timely in taking the actions, including on exceptional event determinations, necessary for state and local air agencies to fulfill their Clean Air Act obligations by identified deadlines. Further, NACAA emphasizes that key to state and local air agencies' success in achieving and maintaining the ozone and PM NAAQS will be timely EPA development and adoption, in close collaboration with NACAA and our members, of stringent regulations for "federal" sources of air pollution, including for mobile sources, particularly nonroad land-based engines and equipment, locomotives, aircraft and oceangoing vessels. 	Page 7 (Implementing Goal 4, Objective 1)	OAR	NACAA

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NACAA supports the stated intent that, "EPA will continue its periodic reviews of the NAAQS as required by CAA, including a new review of the ozone standards." We understand from previous statements that EPA intends for the existing ozone implementation rule to apply to nonattainment areas designated pursuant to any future revisions of the ozone NAAQS. With that in mind, NACAA recommends that EPA, in close collaboration with NACAA, carefully review the existing rule and determine whether updates are necessary and, if so, propose and finalize such updates so that they are in place when any final NAAQS revisions are promulgated.	Page 7 (Implementing Goal 4, Objective 1)	OAR	NACAA
"OAR will continue to work with the regions on improving the efficiency of EPA's review and action on State Implementation Plans (SIPs), including early engagement between EPA and air agencies during the air agencies' SIP development process and early coordination among EPA offices during EPA's review and action on submitted SIPs." Here, again, NACAA emphasizes the critical importance of early and ongoing engagement as well as collaborative problem solving.	Page 7 (Implementing Goal 4, Objective 1)	OAR	NACAA
NACAA has long been concerned about EPA's highly problematic enforcement of the residential wood heater (RWH) NSPS at the time of certification and at the time of sale. On February 28, 2023, EPA's Office of Inspector General (OIG) released a report, <u>"The EPA's Residential Wood Heater Program Does Not Provide Reasonable Assurance that Heaters Are Properly Tested and Certified Before Reaching Consumers</u> ," in which it concluded that "EPA's ineffective residential wood heater program puts human health and the environment at risk for exposure to dangerous fine-particulate-matter pollution by allowing sales of wood heaters that may not meet emission standards." OIG followed up on May 22, 2024, with a " <u>Management Implication Report: The EPA's Wood Heater Program</u> ," in which it provided recommendations to EPA for addressing the concerns raised in the prior report. EPA's Office of Air and Radiation (OAR), under which the RWH NSPS are developed, should			
work with the agency's Office of Enforcement and Compliance Assurance, EPA's leadership and state and local air agencies to ensure that this federal program is rigorously enforced so that the intended emission reductions are fully realized in practice.			

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NACAA supports the efforts identified in Section B.1.1, and reiterates, once again, the critical importance of item B.1.1.3, #5 – "Engage air agencies as early as possible in guidance and regulation development processes." – beginning at the very start of the process and continuing throughout.	Page 7-9 (Expected EPA Regional Office Activities)	OAR	NACAA
Regarding section B.1.1.3, #8 ("Support implementation of EPA's Exceptional Events (EE) Rule including working with air agencies through the initial notification process and reviewing demonstrations that have regulatory significance."), we reiterate strongly the need not only for close partnership between EPA Regional Offices and state and local air agencies (individually and through NACAA) but also for EPA to ensure there is adequate, knowledgeable and experienced staff in each Regional Office to expertly and timely review EE demonstrations.	Page 8-9 (Expected EPA Regional Office Activities)	OAR	NACAA
Revise item B.1.2.2 #1, under "Designations," ("If the 2015 ozone and/or 2012 $PM_{2.5}$ NAAQS are revised, provide state recommendations for area designations and boundaries."), to reflect that the 2012 $PM_{2.5}$ NAAQS has been revised.	Page 9 (Expected Air Agency Activities	OAR	NACAA

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 With respect to "Title V and New Source Review Permitting," EPA includes the timely entry of data into the RACT/BACT/LAER Clearinghouse (RBLC) "or its successor system" as an expected activity for state and local air agencies. The RBLC in its current form is extremely outdated and unwieldy to use. It is difficult for agencies to enter new data, and once data is entered it cannot be updated by the users. Under Section 108(h) of the Clean Air Act, EPA is <i>required</i> to maintain a functional RBLC database. The need for a "successor system" to the current RBLC is apparent. In NACAA's view, the RBLC must be completely revamped and modernized. On April 9, 2019, NACAA provided a list of <u>recommended RBLC modifications</u> to make the system more useful. The recommendations included the ability to amend and update fields of an existing determination, ensure the system represents equipment constructed in a project, provide fields that show whether compliance was demonstrated, the ability to enter actual test results, the ability to remove unnecessary fields to keep data entry to a minimum, and a history function. Since then, additional underlying concerns have become apparent. To address these concerns, EPA should make systematic improvements to the RBLC that will require staff resources and ongoing data management. NACAA would welcome the opportunity to discuss with EPA in more detail our concerns with the RBLC and recommendations for improvement. 	Pages 11-13 (Title V and New Source Review Permitting)	OAR	NACAA

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EPA emphasizes activities to "support and assist air agencies in addressing air toxics" and calls upon the regional offices to "delegate and assist air agencies with Section 111, 112, and 129 standards." This includes, among other things, the workload associated with case-by-case MACT determinations that state and local agencies must do. Additionally, the draft includes activities related to the National Air Toxics Monitoring Network. These activities are certainly necessary, but if EPA intends to rely on state and local air agencies to implement the air toxics program it is equally important that the agency provide adequate resources in the form of increased federal grants.	Page 15 (Air Toxics and NSPS Program) Page 16 (Ambient Air Monitoring for Toxics)	OAR	NACAA
requirements. Asbestos exposure is a significant health concern in disadvantaged communities. Many state and local air agencies do not have the necessary resources and training to address this issue, especially considering EPA's recent rule banning chrysotile asbestos.			
NACAA is concerned that the draft NPG does not include specific OTAQ regulatory initiatives for FY 2025-2026 and urges OAR and OTAQ to engage with NACAA prior to finalizing the NPG to discuss EPA's plans for federal regulatory initiatives for mobile sources during FY 2025-2026.	Pages 18-19 (Mobile Sources Program)	OAR	NACAA
Additionally, NACAA reiterates the need for stringent federal regulations for additional heavy-duty mobile source categories, including nonroad land-based engines and equipment, locomotives, aircraft and oceangoing vessels.			

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The FY 2025 Administration budget request calls for \$400.2 million in grants for state and local air quality agencies under Sections 103 and 105. While NACAA appreciates the recognition that additional funds are needed, NACAA believes that is still not sufficient. NACAA recommends that federal grants under Sections 103 and 105 be increased to \$500 million annually, beginning in FY 2025. This is \$100 million above the President's proposed budget for FY 2025 and an increase of \$264 million over the FY 2024 appropriation of \$236 million. Such increases are necessary if state and local air agencies are to continue to fulfill their current responsibilities and take on new and high-priority programs to reduce air pollution and address climate change.	Page 33 (Grant Assistance to Co- Implementers)	OAR	NACAA
The FY 2025 Administration budget request appropriately calls for funding for the Diesel Emission Reduction Act (DERA) program. This is an important program to address emissions from the large legacy fleet of diesel engines. However, it is important that DERA not be funded at the expense of the Section 103/105 grants, and NACAA strongly urges that any future funding for DERA not be in lieu of increases to state and local air grants. Additionally, since many of the DERA funds are not provided to state and local governments, future DERA activities should not be funded through the STAG account. Instead, the grants should be provided through one of EPA's other accounts.	Page 34 (Grant Assistance to Co- Implementers) Page 36 (DERA) Grants)	OAR	NACAA

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The draft mentions "a proposed transition in funding authorities for PM _{2.5} monitoring" and refers to the current <u>NPG Monitoring Appendix</u> . EPA has, in the past, planned to transition the funding authority for PM _{2.5} monitoring from Section 103 to Section 105. This would require state and local agencies to provide matching funds. The PM _{2.5} monitoring program has long been funded under Section 103 and this arrangement has worked very well. NACAA recommends that it continue and, therefore, opposes the transition of the program to Section 105 authority. The proposed shift would require state and local agencies to provide a 40-percent match, which not all agencies can afford. Those agencies that are unable to provide matching funds could not accept the grants for these important monitoring at existing sites. Since these are nationwide monitoring efforts, NACAA believes the funding should be provided under Section 103 authority, so it is accessible to all, regardless of their ability to match the grants.	Page 35 (Continuing Air Program, Ambient Monitoring)	OAR	NACAA
EPA acknowledges its responsibility to provide training for personnel of air agencies. We support EPA's commitment to continue working with the Joint Training Committee Steering Committee, which includes MJOs and national organizations of air agencies including NACAA. The need for training the next generation of air professionals is at a critical point. New staff being hired to replace those who have or are retiring cannot currently access all basic training, in person and virtual, necessary to do their jobs due to limited class sizes and offerings, despite MJO efforts to offer as much training as possible. Limitations in the current training program and strategy, including the number of instructors and restrictions being placed on offerings by instructors like class caps, are not working to meet the needs of states and local air programs. Post pandemic, the level of retirements has increased and will continue to increase; therefore, adequate high-quality training is immediately necessary to ensure the ability of state and local air programs to continue to implement programs. NACAA urges EPA to continue to work with the Joint Training Committee Streeting Committee to develop alternative strategies to get immediate necessary training to new staff.	Page 36-37 (Continuing Air Program, Clean Air Act Training)	OAR	NACAA

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EPA discusses the development of an updated methodology for allocating Section 105 grants among agencies. If the agency is to do this, any reevaluation of the allocation methodology should include early collaboration with state and local agencies to inform the proposal. Those agencies should be involved in the process well before a refinement in the allocation methodology is released for public comment.	Page 38 (Future Refinements to the Allocation of Section105 Grants)	OAR	NACAA
The following comments pertain to the Office of Enforcement and Complia available at: <u>https://www.epa.gov/system/files/documents/2024-04/fy</u>		`	/
OECA says that it seeks to strengthen enforcement in communities with environmental justice concerns. Consistent with our early input on the FY 25-26 NPGs and previous comments on earlier guidances (for example, <u>https://www.4cleanair.org/wp-content/uploads/Documents/NACAANPMComments-FY20-21-05022019.pdf</u>), NACAA supports this underpinning principle. This aligns with the first recommendation in NACAA's January 15, 2021 Transition Letter to the Biden-Harris Administration (<u>https://www.4cleanair.org/wp-content/uploads/NACAA2021PresidentialTransitionDocument-01152021.pdf</u>), that "EPA should make the consideration of racial justice and protection of overburdened communities from the impacts of pollution and climate change a central focus across all its activities, as well as exploring ways to involve overburdened communities in environmental regulatory decisions that affect their residents. Environmental Justice (EJ) should not be just a single program within EPA, it should be integrated prominently into every program across EPA." It continues that "EPA's permitting and enforcement efforts should be among the first areas of focus for these activities. When EJ is placed as a central concern in permitting and enforcement, it creates immediate opportunities for reducing harms to the communities most heavily burdened by pollution impacts. EPA should consider the permitting and enforcement models of NACAA member agencies that have centered disproportionately affected communities." We reiterate our support for this here.	Page 6, (Introduction, Section IIA)	Office of Enforce- ment and Com- pliance Assur- ance (OECA)	NACAA

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EPA's discussion of state and local collaboration includes mention of "building state capacity, supporting state actions" etc. As noted above, EPA needs to be more active and effective at ensuring that its state and local partners are resourced, trained and have effective coordination and technical assistance from EPA in our role as co-regulators. Enforcement of new rules will not keep pace without additional resources to affect data gathering and action taken to support compliance and address violations. In our January 28, 2022 comments on the EPA's proposed NSPS for the Oil and Gas Sector (https://www.4cleanair.org/wp-content/uploads/NACAA-Oil-and-Gas-NSPS-Comment-Letter-01_28_2022.pdf), NACAA noted that "all agencies face inadequate resources to meet their existing and emerging Clean Air Act responsibilities. For agencies that have a daunting number of sources and already-stretched funding, human resources, and equipment, the rule will create implementation challenges if EPA does not become a more effective advocate for fully funding these agencies, and matching the regulatory responsibilities assigned to these agencies with the resources to carry them out. "New EPA rules will overburden agencies with many new sources requiring new inspection and enforcement actions with unchanged funding, resources and support. The Agency has a responsibility to address this issue.	Pages 5-7	OECA	NACAA

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In Section II A "Advancing Environmental Justice," EPA calls for involvement of disadvantaged and vulnerable communities, and for improving the outcomes for these communities in their protection from environmental harms. OECA's recommendation aligns with NACAA's January 15, 2021 Transition Letter, which states that "Permitting and enforcement are the areas of Clean Air Act implementation that most tangibly affect the lives of people in communities that bear disproportionate health burdens from air pollution. It is critically important that the voices of these communities are solicited, heard and respected. EPA should work with its state and local partners to address and overcome barriers to meaningful public participation in these communities and endeavor to prevent inequitable outcomes." We reiterate that recommendation here.	Page 7	OECA	NACAA
content/uploads/NACAA2021PresidentialTransitionDocument-01152021.pdf)			
Section II B on compliance related to climate change includes new emphasis on AIM Act implementation. We reiterate our call earlier in these comments for EPA to coordinate with NACAA agencies, particularly those with existing HFC regulatory programs, and to assure they have the resources needed to act effectively as partners and co-regulators.	Page 10	OECA	NACAA
(See: <u>https://www.4cleanair.org/wp-content/uploads/Final-</u> NACAA_7_2_21_Comments_HFC_AIM_ACT-1.pdf)			

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Section II B starts with a commitment to reducing illegal hydrofluorocarbon (HFC) and methane emissions under rules that have clear basis in finalized rules. The same section states that "We will also prioritize reductions of other GHGs by bringing enforcement actions to address illegal emissions of carbon dioxide and other pollutants that contribute to climate change." NACAA has commented on EPA's methane, HFC, vehicle and power sector rules setting on GHG emission standards. As EPA stands up new programs beyond methane and HFC compliance, the agency should coordinate closely with our agencies before taking enforcement actions that relate to new programs that only recently been, or may not yet have been, finalized. State and local agencies have existing programs and EPA should make every effort to coordinate with these agencies and leverage their experience, widespread presence, institutional strengths, and expertise.	Page 10	OECA	NACAA
Section II C makes reference to the National Compliance Initiatives. The agency sought input on the new cycle of National Compliance Initiatives (NCIs) for FY 2020 to 2023. On May 2, 2019, NACAA provided comments on the proposed FY 2020-2023 NCIs (https://www.4cleanair.org/wp-content/uploads/Documents/NACAANPMComments-FY20- 21-05022019.pdf), and these remain our recommendations. In that letter, NACAA recommended that both state and local clean air agencies be explicitly included as partners in the list of NCIs related to air pollution. NACAA also offered longstanding support for addressing violations related to aftermarket tampering of vehicles, and we support continued efforts as outlined on Page 13. NACAA recommends EPA invest in improving notification points of contact and in improving coordination with state and local agencies in the implementation of this NCI. We explain in greater detail in a later comment addressing Section IV A 4, which flags the role of state and local agencies in addressing complaints; EPA should be strategic about how this coordination takes place.	Pages 10-13	OECA	NACAA

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In Section IV on implementing other core work, EPA articulates a number of programs like the State Review Framework that implicate a large workload for state and local air agencies. As reflected in our response to OAR, EPA should work to assure that state and local enforcement efforts have sufficient resources from the federal government to accomplish our role as enforcement co-regulators. In addition to grant funding, key areas that EPA can facilitate are the provision of technical assistance and training	Page 17	OECA	NACAA
Section IV A 4 notes the mechanisms available for citizen complaints to EPA as an entry point for enforcement actions, and calls for "States, territories, tribes, and localities operating authorized program" to "also consider public tips and complaints when performing their compliance and enforcement functions." OECA should engage strategically with all state and local agencies to coordinate and streamline the communications between co-regulators, creating synergies and leveraging existing institutional infrastructure and reducing the amount of inefficiency in coordinating these citizen complain services.	Page 18	OECA	NACAA
 Section IV. A notes the joint role EPA and state and local agencies play in enforcing the Clean Air Act. EPA should treat these agencies in a regionally consistent manner to the extent possible. Therefore, headquarters should work closely with regional offices to implement new guidance. In conjunction with state and local agency input, EPA should continue to work toward global-sector settlements where appropriate. This would include continued pursuit of global settlements already in progress. 	Page 19	OECA	NACAA
Finally, as NACAA has stated in previous letters on National Program Guidances to OECA, it is important that EPA continue to act as a federal backstop and environmental presence to aid state and local agencies in enforcement activities.			

Comment	Location in Draft Guidance	Office Issuing NPG	Comme nter
In Section IV. A 5, EPA articulates a goal that "state and EPA implemented programs are evaluated consistently" NACAA strongly supports this objective and reiterates that regional variation can create inconsistencies in the SRF program, and that EPA should continue to invest in its own enforcement infrastructure (like ICIS and ECHO) to enable SRF reviews to be seamless and without undue burden on state agencies. As a community of agencies, NACAA continues to be involved in the modernization of the Integrated Compliance Information System (ICIS) and OECA should continue to make NACAA a central partner in that effort. As OECA develops new tools to assist in targeting and screening, it should involve the NACAA community of agencies at every stage.	Page 19	OECA	NACAA
In Section IV.B.1.5, EPA notes that it will focus some of its compliance assurance and enforcement energy on "sources with potential significant noncompliance in nonattainment areas or sources with potential significant noncompliance that contribute to nonattainment." NACAA supports EPA targeting resources to affect the most urgent pollution harm reductions, but also suggests that EPA do so in consultation with affected agencies, which may already have significant resources directed at these issues of noncompliance. EPA would then be able to engage in areas without existing programs and attention to bring about the most effective results.	Page 23	OECA	NACAA
Item 3 of the agency's Title II vehicle and engine enforcement program priorities include addressing emission controls on vehicle engines and equipment that have been illegally tampered with. NACAA supports this recommendation and urges EPA to return this priority to its list of national enforcement and compliance initiatives. EPA has identified a focus on commercial fleets and on maintenance shops that engage in illegal tampering; NACAA recommends that resellers and marketers also be included in this area of focus.	Page 25	OECA	NACAA