

**STAPPA AND ALAPCO
BOARDS OF DIRECTORS AND COMMITTEE CHAIRS
2002 WINTER MEETING**

**February 9-11, 2002
Hawk's Cay
Duck Key, Florida**

**I. INTRODUCTIONS AND REVIEW OF THE AGENDA – Saturday,
February 9, 2002**

The STAPPA and ALAPCO Boards of Directors and Committee Chairs 2002 Winter Meeting was called to order at 8:00 a.m. STAPPA Board members present included John Benedict (WV), Lloyd Eagan (WI), Jim Joy (SC), Mike Kenny (CA), Margie Perkins (CO), Roger Randolph (MO) and Dick Valentinetti (VT). ALAPCO Board members present included Cory Chadwick (Cincinnati, OH), Jim Manning (Jacksonville, FL), Dennis McLerran (Seattle, WA), Eric Skelton (Spokane, WA) and Art Williams (Louisville, KY). Committee Chairs present included Bruce Andersen (Kansas City, KS), Mary Boyer (CA), Ken Colburn (NH), Norm Covell (Sacramento, CA), Ursula Kramer (Tucson, AZ), Ron Methier (GA), Brock Nicholson (NC), Bob Warland (NY) and Herb Williams (TX). A copy of the agenda is attached.

**II. DISCUSSION OF ECOS RELATIONSHIP ISSUES – Saturday, February
9, 2002**

The Boards and Committee Chairs discussed at length the relationship between STAPPA/ALAPCO and the Environmental Council of the States (ECOS), and the ECOS Air Committee's desire to be more proactive on air issues, possibly forming air-related subcommittees. The Boards discussed how ECOS develops positions and how it interacts with the state organizations for the other environmental media. They also discussed how the development of ECOS air subcommittees could affect STAPPA/ALAPCO's activities related to those issues (e.g., two different groups of air directors focusing on an issue, duplication of effort, etc.). The members also noted that currently there are a number of high-profile air issues and activities, which possibly contributes to ECOS' greater interest in air quality issues.

The Boards discussed several recommendations for improving the relationship with ECOS, determining that it is very important for state air directors to communicate with their commissioners about STAPPA's activities and to ensure they get the feedback they need to participate effectively in STAPPA. The members agreed that STAPPA and ALAPCO have accomplished many good things over the years and should continue to be as effective in the future. The Boards also agreed that at the Spring Membership Meeting, STAPPA President

Lloyd Eagan would address the members, urging them to improve communications with their commissioners regarding STAPPA's activities.

III. COMMITTEE REPORTS – Saturday, February 9, 2002 – Sunday, February 10, 2002

Energy – Ron Methier (GA), STAPPA Chair of the Energy Committee, reported to the Boards that, based on the discussions held at the 2001 Fall Membership Meeting, the Committee had proceeded with efforts to develop STAPPA/ALAPCO principles for a multi-pollutant strategy for power plants. Now, after four months of work, the Committee was seeking a “reality check” prior to finalizing a proposal and bringing it before the full memberships at the 2002 Spring Membership Meeting. Ron reviewed Draft #5, which included an introduction and 11 core principles, and asked Board members and Committee Chairs for their thoughts and comments. The group then engaged in extensive discussion of the draft; while various comments were offered, the general consensus was that the Committee had done very good work. In terms of next steps, Ron explained that the Committee would complete a final proposal by late March/early April – at least 30 days prior to the STAPPA/ALAPCO Spring Membership Meeting, and also before the ECOS meeting – and would distribute it to the memberships with a request that all air directors review it carefully and take part in a STAPPA/ALAPCO membership briefing call, in preparation for a vote on the proposal at the Spring meeting. In addition, all state air directors would be asked to advise their commissioners of this STAPPA/ALAPCO effort and forthcoming vote.

Permitting/New Source Review – John Paul (Dayton, OH), ALAPCO Chair of the NSR Subcommittee, briefed the Board members on the latest NSR developments. Specifically, John focused on the associations' January 23, 2002 letter to Administrator Whitman expressing concerns with the Administration's recent actions regarding NSR reform and requesting further public discourse. John reminded members that the letter was prompted by members' requests during an NSR briefing call that the associations held to bring members up to date on the Administration's recent NSR efforts. John noted that the letter basically drew on the associations' previous NSR comments and positions; he then reviewed briefly the associations' involvement in EPA's NSR reform efforts over the last eight years. Finally, John informed members that while the associations had not yet received an official response from EPA, agency staff had responded informally, to say that they believed no further public discussion on NSR was necessary.

Next, Ursula Kramer (Pima County, AZ), ALAPCO Chair of the Permitting Committee, updated members on Title V program issues that the Permitting Committee had worked on and/or tracked over the last few months, including the status of citizen petitions on state and local Title V programs and Title V issuance rates. First, she reminded members that as part of its December 7, 2000

settlement agreement with Sierra Club, EPA agreed to re-open both interim and fully approved state and local Title V programs for public comment. In addition, EPA agreed to respond to all citizen comments by a date certain. Once a state/local agency received an NOD, it would have to correct the deficiency in a timely fashion (but in no longer than 18 months, in order to avoid Part 71 – EPA take-over of a state program). Ursula informed members that as a result of the 90-day citizen comment period, EPA received 350 separate comments, 80 of which the agency believes have merit. The agency has missed the December 2001 deadline for addressing comments on interim approvals, but continues to work to respond to all the comments.

With regard to the Title V permit issuance issue, Ursula shared recent conversations that the Permitting Committee Chairs had had with high-level EPA staff regarding Jeff Holmstead's position. Specifically, the Chairs were informed that EPA had scheduled a managers' meeting in early February to discuss the Title V issuance rates with Holmstead and how EPA planned to address this issue. Roger Randolph (MO) stated that this meeting had already taken place and that EPA was sending out letters to state and local agencies asking them to commit to a two-year schedule to issue all Title V permits. Others commented that they had already received such letters from their regional offices (others had been informally contacted via email and telephone) and asked the Permitting Committee to follow up on this. Herb Williams (TX) also suggested surveying our members again to determine the status of permit issuance rates, as well as identify issues that are preventing agencies from meeting their goals. (Subsequent to the meeting, STAPPA/ALAPCO staff learned that the commitment letters were not intended by EPA headquarters to represent a formal process, but rather an informal attempt to gauge the status of state and local Title V issuance rates to determine if all agencies could meet a two-year deadline. Also subsequent to the meeting, STAPPA/ALAPCO staff learned that ECOS had initiated a permit issuance rate survey.)

Criteria Pollutants – Brock Nicholson (NC), STAPPA Chair of the Criteria Pollutants Committee, discussed with the Boards the Committee's interaction with EPA on implementation of the 8-hour ozone National Ambient Air Quality Standard (NAAQS). He noted that the Committee had participated with EPA in an intensive interagency work group process until the Supreme Court decision in February 2001. Following that decision, EPA had halted the work group process so that it could rethink its implementation strategy in light of the decision. There have been many calls between the Committee and EPA, including between the "Group of 8" members of the Committee and EPA. Recently, EPA informed the Group of 8 that it had formed 20-22 workgroups to work on various issues associated with implementing the 8-hour ozone NAAQS and solicited STAPPA and ALAPCO's participation on the workgroups. The workgroups have weekly conference calls and are gearing up for public meetings on March 5 and 7 in Washington, DC, and Atlanta, respectively.

There was a robust discussion as to whether STAPPA and ALAPCO should participate in these EPA work groups. Members agreed that working with EPA is valuable, but worried about the associations' ability to quickly appoint workgroup members who would represent the interests of all the associations' members, and worried about the commitment of time and resources required for such an effort. The Boards agreed that STAPPA and ALAPCO should decline EPA's offer, but that the Committee should continue to interact with EPA and provide comments on EPA proposals.

Program Funding – Lloyd Eagan (WI) announced that Andy Ginsburg (OR) would replace Jim Salvaggio, who had recently retired from the Commonwealth of Pennsylvania, as STAPPA Chair of the Program Funding Committee. Andy joined the meeting by telephone for the program funding discussion.

Bruce Andersen (Kansas City, KS), ALAPCO Chair of the Program Funding Committee, provided an update on recent funding activities, including the allocation of the additional \$8 million in FY 2002 Section 105 grants that Congress appropriated, the history of the current allocation formula, the President's FY 2003 budget request and the Program Funding Committee's funding survey.

The members discussed the allocation of the \$8 million and agreed that Bill Becker would inform Rob Brenner (EPA) that 1) the associations favor the grants being distributed proportionally to the regions (and to the state and local agencies); 2) state and local agencies should be permitted to use the additional funds for whatever activities are the highest priority to them, including ongoing, base program activities; and 3) the negotiations with the regions should be in the context of existing negotiation processes already in place.

Bill Becker asked the Boards to provide the Program Funding Chairs with input on what STAPPA and ALAPCO should include in their testimony before Congress on the FY 2003 budget.

Mobile Sources and Fuels – Eric Skelton (Spokane, WA), ALAPCO Chair of the Mobile Sources and Fuels Committee, reported on eight key issues currently being addressed by the Committee. First, Eric reported that STAPPA/ALAPCO's Multi-State Clean Diesel Initiative had been a success. As of January 1, 2002, 11 states – representing close to 40 percent of onroad heavy-duty diesel (HDD) engine sales nationwide – had adopted Not-to-Exceed (NTE) rules based on California's requirements. He further indicated that in the coming weeks, STAPPA and ALAPCO would issue a press release regarding the initiative. Eric expressed thanks to Mike Kenny (CA) and members of his staff for their efforts to assist with this initiative and noted that Diane Johnston, Greg Ushijima and Susan O'Connor of the CARB staff would be presented with STAPPA/ALAPCO Meritorious Service Awards for their contributions.

Next, Eric provided an update on STAPPA/ALAPCO's intervention in litigation over the 2007 onroad HDD rule, reporting that in December, the associations, along with nine individual state and local intervenors and *amici curiae*, had submitted their joint brief to the U.S. Court of Appeals for the D.C. Circuit in support of EPA's rulemaking. Preparation of the brief was coordinated by STAPPA and ALAPCO's attorneys from the Institute for Public Representation of the Georgetown University Law Center; oral argument was scheduled for February 26, 2002.

On the issue of nonroad HDD engine and fuels, Eric reported that the associations were continuing their advocacy for a strong regulatory program and, on January 3, 2002, had submitted comments to EPA on the agency's staff paper on the technical feasibility of the 1998 nonroad HDD standards. In the comments, the associations expressed disappointment that the paper did not contain a comprehensive blueprint for future regulation of nonroad HDDs and provided their vision for future regulatory requirements and timetables for engine and fuel standards. In addition, in December, representatives of STAPPA and ALAPCO, along with heavy-duty diesel coalition allies, met with EPA Assistant Administrator Jeff Holmstead to discuss our disappointment with EPA's lack of progress on nonroad HDDs.

Eric then apprised the group that STAPPA and ALAPCO had provided both oral testimony (on October 24, 2001) and written comments (on January 18, 2002) on EPA's proposed standards for large spark-ignition engines, gasoline-fueled land-based nonroad recreational vehicles and diesel-fueled marine recreational engines. In addition, the associations provided written comments (on January 30, 2002) on EPA's Staff White Paper on "boutique" fuels. With respect to the heavy-duty diesel consent decrees, Eric reported that EPA had recently proposed the nonconformance penalties that would apply to noncompliant engines. On the issue of MOBILE6, Eric reported that EPA had posted the final model and related technical and policy documents on its web site. Finally, he announced that the associations are seeking expressions of interest from state and local air agencies interesting in hosting the next North American Motor Vehicle Emissions Control Conference.

Public Education and Communications – Cory Chadwick (Cincinnati, OH), ALAPCO Chair of the Public Education Committee, gave a quick update on the Committee's recent activities, including the upcoming *Communicating Air Quality* Conference, NATA and coordination with the Monitoring Committee to develop a public education strategy for the National Monitoring Strategy. Toward that end, Board members suggested that the Committee explore opportunities to write Op-Ed pieces to help communicate this new strategy.

Training - Mary Boyer (CA), STAPPA Chair of the Training Committee, reported on the results of the survey the Committee conducted of training providers. Training providers indicated that they needed at least an additional \$300,000 to

provide adequate training. She noted that the Joint Training Committee would be meeting in early March and the issue of funding would be raised. While members of the Boards agreed that training was important, several noted that EPA was supposed to be providing additional funds for training. The Boards recommended that the Program Funding Committee Chairs and the Training Committee Chairs work together to convey to EPA STAPPA and ALAPCO's concern about EPA's continued resistance to funding training

Air Toxics – Mary Sullivan Douglas (STAPPA/ALAPCO) reviewed the status of the Integrated Air Toxics Strategy Workplan that EPA had developed based on the work of a stakeholder workgroup. She requested that Board members review the document in the meeting books and provide comments.

Mary provided a status report regarding EPA's development of the remaining Maximum Achievable Control Technology (MACT) standards, EPA's plan to issue a final rule containing the Section 112(j) hammer requirements by February 26, 2002 and the state and local agencies' one-month preview of the complete National Air Toxics Assessment (NATA) site.

John Paul reported on the status of the effort to develop a MACT standard for toxic air emissions from power plants. John serves as the Co-Chair of the workgroup formed under the Federal Advisory Committee Act to address this issue.

Monitoring – Dick Valentinetti (VT) and Dennis McLerran (Seattle, WA), the STAPPA and ALAPCO Chairs of the Monitoring Committee, respectively, updated members on four important issues that the Committee has been working on, including NCORE, PM_{2.5} data completeness, continuous monitors equivalency issues and the FY 2002 air toxics monitoring grant guidance. With regard to the grant guidance, Dennis summarized the proposed allocation scheme, noting that this year, the steering committee had decided upon an equitable distribution to all state agencies. In addition, Dennis noted that the allocation contained additional monies for the establishment of trends sites (10 right away, with an additional 10 to follow, depending on funding availability). The Boards approved the allocation scheme and Dennis informed them that the goal was to issue the grant guidance by the end of March. Finally, Bill Becker updated members on the associations' latest discussion with the American Lung Association (ALA) regarding PM_{2.5} data completeness and designations. Bill informed members that ALA was in the process of gathering information for a PM_{2.5} data completeness status report and had requested the associations' help. Toward that end, ALA had requested a meeting with the associations, as well as EPA, to discuss this issue, focusing specifically on how to move forward with designations in light of incomplete data (i.e., what three years' worth of data should be used for designations). The Boards agreed that such a meeting would be worthwhile and encouraged the Monitoring Chairs to work with the Criteria Pollutants Committee on this issue.

Enforcement – Geri O'Sullivan (STAPPA/ALAPCO) updated members on recent Enforcement and Compliance Committee activities, including the status of the Rules of Engagement initiative and the June 2002 Enforcement and Compliance Workshop. With regard to the Rules of Engagement, Geri informed members that, despite Bruce Buckheit's commitment at the Fall Membership Meeting, this initiative had not moved forward as quickly as we had hoped. Geri noted that EPA had promised to provide STAPPA and ALAPCO with the regional offices' comments prior to the Board Meeting, but that EPA regional offices were still reviewing the associations' draft. In light of the membership's interest at the Fall Membership Meeting, the Boards urged the Enforcement and Compliance Committee to continue to push this effort with EPA.

Stratospheric Ozone and Global Warming – Ken Colburn (NH), STAPPA Chair of the Stratospheric Ozone and Global Warming Committee, provided an update on international, federal and state developments in the area of climate change. He noted that with the agreement reached in Marrakesh (the Marrakesh Accords), the Kyoto Protocol was now in a position to be ratified by developed countries. It can also go into effect without U.S. participation. A U.S. government plan – an alternative to Kyoto – was to be released the following week. He also updated the Boards on various domestic legislative efforts with regard to climate change, including greenhouse gas registry bills, the Jeffords multi-pollutant bill (which includes CO₂) and carbon sequestration bills. He further reported that the greenhouse gas software tool project was going well, albeit delayed. The Committee Chairs and Secretariat staff were planning to attend COP-8 to publicize the tool, which has applications in developing countries, as well. Ken also reported on state efforts, such as the multi-pollutant bill in New Hampshire, a bill in California to regulate greenhouse gas emissions from motor vehicles and Texas' greenhouse gas report.

Herb Williams (TX) asked what the implications of the Kyoto Protocol were for states and localities if the U.S. was not going to participate. Art Williams (Louisville, KY), ALAPCO Chair of the Committee, noted that U.S. companies would not be able to participate in joint implementation or the Clean Development Mechanism. Others remarked that by not participating, the U.S. will fall even further behind in developing clean energy technology, and that the European Union (EU) may petition the WTO for trade sanctions or impose a carbon tax on U.S. exports to the EU.

External Relations – Norm Covell (Sacramento, CA), ALAPCO Chair of the External Relations Committee, reported that the Committee is investigating the continuation of the STAPPA/ALAPCO project with Romanian officials. He indicated that EPA had invited the External Relations Committee to participate in a conference call with tribal officials regarding nonattainment issues. Finally, Norm provided a status report on the Guatemala Monitor Program, through which state and local air agencies in the United States have donated used monitoring equipment to Guatemala.

Bob Warland (NY), STAPPA Chair of the Committee, reported that the Committee for Environmental Cooperation held a meeting with Canadian, Mexican and U.S. officials to discuss capacity building related to emission inventories. He also indicated that New York's Cooperative Extension is planning a trip for 12 Polish officials to visit the United States, including state and local air pollution control agencies in the Northeast.

Bill Becker provided a status report on the development of STAPPA/ALAPCO's international web site – Clean Air World. He announced that the web site will be made available to the foreign officials whose names appear on the pages. After a 30-day review period, the site will be announced to the public.

Agriculture – Amy Royden (STAPPA/ALAPCO) provided a brief update on the Agriculture Committee's activities. The Committee's survey of state and local air agencies on their regulation of air emissions from agricultural activities had been completed and would be posted on Air Web shortly. She also reported on discussions between STAPPA/ALAPCO and EPA's Office of Enforcement (OECA) regarding enforcement against concentrated animal feeding operations (CAFOs). OECA had been approached by a trade group representing CAFOs requesting that EPA forego enforcement against CAFOs until the National Academy of Sciences completed a study of emission factors and CAFOs. OECA asked for STAPPA and ALAPCO's views on this issue. In response, the Committee suggested that OECA, EPA's Office of Air Quality Planning and Standards (OAQPS), and interested STAPPA and ALAPCO members meet to discuss the issue of enforcement and CAFOs with no preconceived ideas. The CenSARA states had offered to host such a meeting that would either precede or follow a CenSARA meeting in mid-March. Bill Becker noted that this set an excellent example of cooperation between OECA and STAPPA/ALAPCO that could hopefully be emulated on other issues. The Boards agreed with this approach. The Boards recommended that all STAPPA and ALAPCO members be invited to participate in such a meeting.

IV. DEVELOPMENT OF SPRING MEMBERSHIP MEETING AGENDA – Monday, February 11, 2002

The Boards and Committee Chairs discussed options for sessions at the 2002 Spring Membership Meeting and agreed on the following agenda topics: a profile of air quality issues in Idaho, critical issues, Jeff Holmstead – Face the Air Directors, a federal enforcement update, New Source Review, multi-pollutant strategies, diesel retrofit efforts, an EPA regional office panel, PM_{2.5} and air quality and health.

V. FINANCIAL UPDATE AND AUDIT REPORT – Monday, February 11, 2002

Bill Becker provided a summary of the associations' financial activities. First, he reviewed the status of STAPPA/ALAPCO's grants (for the Secretariat and the greenhouse gas document). He then reviewed the cash and income statements for October 1, 2001 to December 31, 2001 for both STAPPA and ALAPCO. Bill also updated members on the results of the associations' internal audit, which is one of the yearly EPA grant requirements. The audit found that the associations adhered to good management practices.

VI. NEW BUSINESS – Monday, February 11, 2002

Bill Becker reported that the auditors recommended that the associations consider changing how they invest their money in order to get a higher return. For example, the associations might consider Treasury bills or even, perhaps, a conservative mutual fund in order to gain higher returns than a money market account. It was suggested that the associations investigate how other local governments invest their money, because they are likely to use conservative approaches. Bill agreed he would conduct research on investment possibilities and report his results at a future Board meeting.

Bill also reported that EPA requested that the associations provide an estimated budget for FY 2004-2005. Bill proposed that for FY 2004, the estimate reflect an 8-percent increase from 2003, and for FY 2005, the estimate be 8-percent over FY 2004. After some discussion, the Boards approved using successive 8-percent increases as placeholders for 2004 and 2005, and asked that they be notified when a firm budget proposal was ultimately developed.

VII. ADJOURNMENT

The Boards and Committee Chairs 2002 Winter Meeting was adjourned.

AGENDA

STAPPA AND ALAPCO BOARDS OF DIRECTORS AND COMMITTEE CHAIRS WINTER MEETING

February 9-11, 2002
Hawk's Cay Resort
Duck Key, Florida

Saturday, February 9, 2002

- | | |
|-------------------------|---|
| 7:30 a.m. – 8:00 a.m. | Registration and Breakfast |
| 8:00 a.m. – 8:30 a.m. | Introductions and Review of Agenda |
| 8:30 a.m. – 10:00 a.m. | Discussion of ECOS Relationship Issues |
| 10:00 a.m. – 10:15 a.m. | Break |
| 10:15 a.m. – 12:15 p.m. | <u>Committee Reports on Critical Issues and Related Discussion</u> <ul style="list-style-type: none">• Energy (45 minutes)• Permitting/NSR (45 minutes)• Criteria Pollutants (30 minutes) |

Sunday, February 10, 2002

- | | |
|-------------------------|--|
| 7:30 a.m. – 8:00 a.m. | Breakfast |
| 8:00 a.m. – 10:00 a.m. | <u>Committee Reports on Critical Issues and Related Discussion</u> <ul style="list-style-type: none">• Program Funding (45 minutes)• Mobile Sources and Fuels (30 minutes)• Public Education and Communications (15 minutes)• Training (15 minutes)• Air Toxics (15 minutes) |
| 10:00 a.m. – 10:15 a.m. | Break |

Sunday, February 10, 2002 (continued)

10:15 a.m. – 12:15 p.m.

Committee Reports on Critical Issues and Related Discussion

- Monitoring (45 minutes)
- Enforcement (15 minutes)
- Stratospheric Ozone and Global Warming (15 minutes)
- External Relations (30 minutes)
- Agriculture (15 minutes)

Monday, February 11, 2002

7:30 a.m. – 8:00 a.m.

Breakfast

8:00 a.m. – 9:00 a.m.

Development of Spring Membership Meeting Agenda

9:00 a.m. – 9:30 a.m.

Financial Update and Audit Report

9:30 a.m. – 10:00 a.m.

Break/Check-Out

10:00 a.m. – 11:00 a.m.

New Business

11:00 a.m.

Adjourn

1/14/02