

**STAPPA AND ALAPCO  
BOARDS OF DIRECTORS AND COMMITTEE CHAIRS  
2003 WINTER MEETING  
February 1-3, 2003**

**Pointe South Mountain  
Phoenix, AZ 85044**

**Minutes**

**I. Introductions – Saturday, February 1, 2003**

ALAPCO President Ellen Garvey (San Francisco, CA) called the 2003 Winter Meeting of the STAPPA and ALAPCO Boards of Directors and Committee Chairs to order. A meeting agenda and attendees list are attached.

**II. Update on Critical Nonattainment Issues – Saturday, February 1, 2003**

Lydia Wegman, Director of EPA's Air Quality and Standards Division, updated Board Members and Committee Chairs on the 8-hour ozone implementation rule, implementation of the fine particulate matter (PM<sub>2.5</sub>) standard and EPA's development of a regional transport rule to help states attain the PM<sub>2.5</sub> standard. Lydia said EPA's plan is to issue the draft 8-hour ozone implementation rule in March 2003 and finalize the rule in December 2003. She noted that, currently, EPA is requesting that states submit designation recommendations by April 2003, but that this is likely to be changed to July (STAPPA and ALAPCO had requested that the deadline be moved to August 15, 2003). She then reviewed some of the major topics covered in the proposed rule. She next briefly reviewed the timeline for PM<sub>2.5</sub> implementation. Finally, she discussed the Regional Transport Rule, which is an alternative or supplement to the Administration's Clear Skies Initiative. She asked that STAPPA and ALAPCO let EPA know what the best way is to interact as the agency develops this rule.

**III. Committee Reports on Critical Issues and Related Discussion – Saturday, February 1, 2003**

***Criteria Pollutants*** – Brock Nicholson (NC), STAPPA Chair of the Criteria Pollutants Committee, reported that STAPPA and ALAPCO had a successful workshop in the Fall to discuss how states and localities can move forward to reduce PM<sub>2.5</sub> emissions before they are required to do so. He noted that EPA may provide STAPPA and ALAPCO with funding to write an update to the menu of options the associations previously published on reducing emissions of particulate matter. As noted during Lydia Wegman's presentation, STAPPA and ALAPCO had requested that EPA extend the date by which states should submit recommendations for 8-hour ozone areas to August 15, 2003.

Jim Manning (Jacksonville, FL), ALAPCO Chair of the Criteria Pollutants Committee, discussed the Committee's interaction with the American Lung

Association (ALA) on its annual *State of the Air* report. The Committee wrote a letter to ALA expressing several concerns with the report, which Jim detailed, and is expecting a reply from ALA shortly. The Boards of Directors and Committee Chairs then discussed what process STAPPA and ALAPCO should use to interact with EPA on development of a Regional Transport Rule. After a robust discussion, during which attendees agreed that the Regional Planning Organizations were not the appropriate vehicle, participants agreed that STAPPA and ALAPCO should handle this interaction through its Committee structure. A small group representing the appropriate Committees would participate.

**Public Education and Communications** – Cory Chadwick (Cincinnati, OH), ALAPCO Chair of the Public Education and Communications Committee, introduced the new STAPPA Chair, Colleen Cripps (NV). He reported that the committee is developing a generic briefing document related to the National Monitoring Strategy, which should be available in about three months. Cory noted that the 2003 “Communicating Air Quality” conference will be held on December 6-10, 2003 in Orlando, Florida. Finally, Cory provided a brief update on the status of the Demonstrating-the-Benefits workgroup and promised to distribute materials about the program to the air directors.

**Air Toxics** – Bob Colby (Chattanooga, TN), ALAPCO Chair of the Air Toxics Committee, announced that EPA proposed several Maximum Achievable Control Technology (MACT) standards that could exempt individual sources that pose “insignificant risk.” He reviewed STAPPA and ALAPCO’s concern with the proposals and reported that the associations are commenting on each of the rules and testifying at several of the public hearings associated with the proposals. Additionally, Bill Becker met with EPA Administrator Whitman’s staff to discuss the associations’ opposition. Recently EPA has decided not to include the exemptions in one of the rules, but indicated it would consider the others on a case-by-case basis.

Lloyd Eagan (WI), STAPPA Chair of the Air Toxics Committee, provided an update on the activities of the Quicksilver Caucus, which is a group of state associations (including the Environmental Council of the States [ECOS], STAPPA/ALAPCO, state media associations for solid waste and water and others) addressing mercury from a multi-media perspective. She described the group’s three areas of focus: Total Maximum Daily Loads for mercury, Stewardship and EPA’s National Mercury Action Plan. The Stewardship workgroup will soon have documents for review and ECOS will consider a resolution on this issue at its upcoming meeting.

Finally, Lloyd reported that STAPPA and ALAPCO had been instrumental in negotiating with EPA and other stakeholders to come to an agreement on a rule to implement the Section 112(j) hammer provisions. The final agreement called for sources to submit their Part 2 applications 60 days after each

respective scheduled MACT promulgation date, which could obviate the need for state and local agencies to develop case-by-case MACT.

John Paul (Dayton, OH) then provided a brief status report on the development of the Utility MACT and discussed the issues that are addressed in the final report that the Utility MACT workgroup prepared.

**Energy** – Ellen Garvey (San Francisco, CA), ALAPCO Chair of the Energy Committee, provided an update on multi-pollutant legislation, noting that the Administration has announced it is moving “full-steam” ahead on Clear Skies. Ellen noted that Administration representatives are meeting with some individual states to solicit support and to inquire whether any modest changes would garner support. She also reminded the group that at the 2002 Fall Membership Meeting STAPPA and ALAPCO had made it very clear to EPA Assistant Administrator Jeff Holmstead that the associations have major concerns with Clear Skies.

Ellen reported that the Energy Committee has held several calls to discuss Senator Carper’s multi-pollutant bill, which aligns more closely with STAPPA/ALAPCO’s principles, but which is not without some significant problems, most notably regarding NSR. In addition, representatives of the associations have met with Carper’s staff and members of the Clean Energy Group to discuss the NSR provisions of the bill. Ellen also touched on Senator Jeffords’ 4P bill and the McCain-Lieberman greenhouse gas cap-and-trade bill.

Noting that it is possible that multi-pollutant legislation could be passed this year, and that the associations would be working with bill sponsors and other stakeholders in coming months to address our concerns and incorporate our principles to the greatest extent possible into legislation, Ellen then asked for feedback from Board Members and Committee Chairs. Attendees then reported on and discussed what, if anything, they are hearing in their state or local jurisdictions on this issue.

**Emissions and Modeling** – No report was made.

**Agriculture** – Shelley Kaderly (NE), STAPPA Chair of the Agriculture Committee, updated attendees on the Committee’s activities. The primary focus of the Committee has been on discussions with EPA and representatives of the animal farming (CAFO) industry to attempt to reach agreement on a monitoring program that would result in obtaining improved air emission data on the CAFO industry and that would also provide a limited safe harbor from enforcement during the period of the agreement. Shelley, Bill Becker (STAPPA/ALAPCO) and Amy Royden (STAPPA/ALAPCO) participated in several negotiations; however, when it became clear that the industry would not agree to a proposal that would be acceptable to the associations, STAPPA and ALAPCO decided to withdraw from the negotiations, but continue to follow their progress. None of the Board Members or Committee Chairs objected to this course of action.

Shelley also updated attendees on other developments. The National Academy of Sciences issued a final report calling for substantially more research on air emissions from animal feeding operations and recommending that the current "emissions factor" approach for estimating and tracking the rates and fate of air emissions be replaced with a process-based modeling approach with mass-balance constraints. The report also concludes that the implementation of technically and economically feasible management practices should not be delayed. She noted that USDA is reconstituting its Agricultural Air Quality Task Force, and, finally updated attendees on developments in states, including California, where EPA took over California's Title V program for purposes of permitting agricultural sources.

**External Relations** – Norm Covell (Sacramento, CA), ALAPCO Chair of the External Relations Committee, reported that a number of tribes have formed the National Tribal Air Association and gave a brief update on the status of that group's formation. Norm then provided an update about the project that the Bay Area and Sacramento local agencies and the California Air Resources Board undertook to help Ho Chi Minh City in Vietnam develop an air quality program. The recently completed program was very successful and may be replicated in other cities.

Bob Warland (NY), STAPPA Chair of the External Relations Committee, provided an update on the monitor donation program, which most recently collected equipment and sent it to Guatemala. The next country EPA has targeted to receive equipment is Panama. Additionally, some Native American Tribes have expressed interest in receiving used equipment.

### **III. Committee Reports on Critical Issues and Related Discussion – Sunday, February 2, 2003**

**New Source Review** – John Paul (Dayton, OH), ALAPCO Chair of the NSR Subcommittee, distributed a summary of EPA's NSR reform final and proposed rules and overviewed the various activities that STAPPA and ALAPCO had undertaken, including a series of membership conference calls on the range of issues represented in the final and proposed rules. John Paul and Bill O'Sullivan (NJ), the STAPPA Chair of the NSR Subcommittee, then briefed members on and lead a discussion of the array of NSR-related issues, including litigation over the final NSR rule, EPA-lead training on the NSR package, NSR options EPA is considering for 8-hour ozone nonattainment areas, the routine maintenance proposal and STAPPA and ALAPCO's development of testimony and comments, the associations' development of a "menu of options" to help states and localities pursue alternatives for different elements of EPA's final NSR rule, the convening of a STAPPA/ALAPCO NSR workshop in May 2003 and preparation by the National Academy of Public Administration of a report on NSR. Overall,

members expressed substantial concern over the NSR final and proposed rules and the adverse impacts both will have, and great support for the development of a STAPPA/ALAPCO menu of options. In addition, the group endorsed requesting a meeting of delegated states with EPA Administrator Whitman to seek an extension to the March 3, 2003 NSR rule effective date for those states.

**Program Funding** – Bruce Andersen (Kansas City, KS), ALAPCO Chair of the Program Funding Committee, updated the members on the status of the FY 2003 appropriations bill, noting that the latest Senate action called for an across-the-board cut of 2.9 percent. Additionally, the bill called for a study of state standards that differ from federal regulations. Bruce also reported that STAPPA and ALAPCO recommended to EPA that the \$3.46-million increase that was included in the previous Congressional version of the appropriation should be distributed proportionally across the regions (although the possibility of the increase was fading with recent Congressional action). The associations also urged EPA to develop an updated allocation formula for Section 105 grants.

Bruce also reported that EPA had not responded favorably to STAPPA and ALAPCO's request for the agency to reduce off-the-top expenditures and use more of the agency's own funds for activities such as training and the Emission Inventory Improvement Program. EPA has not increased its share of the expenditures.

Finally, Bruce reported that STAPPA and ALAPCO were planning to comment on EPA's Strategic Plan, which is under development.

During the discussion, the members agreed that it would be a good time for them to contact their Congressional delegations to request that Section 105 grants not be decreased in FY 2003 and that Congress not include language calling for a study of state emission standards.

**Mobile Sources and Fuels** – Nancy Seidman (MA), STAPPA Chair of the Mobile Sources and Fuels Committee, reported to attendees on the status of transportation conformity and CMAQ issues, reminding them of the associations' October 2002 adoption of policy principles to be used during reauthorization of the Transportation Equity Act for the 21<sup>st</sup> Century. Nancy also explained that the National Governors Association had considered conformity issues in preparation for its 2003 Winter Meeting (based on recommendations made by the State of Kentucky, consistent with the policy of the American Association of State Highway and Transportation Officials) and, after receiving a briefing from STAPPA/ALAPCO and AASHTO, had asked the organizations, along with the Environmental Council of the States, to convene a discuss to see if common ground on any issues could be reached. A meeting of this group was scheduled for March 6, 2003. Nancy also mentioned a state survey on conformity being conducted by the General Accounting Office. She concluded by noting that the

associations will track closely TEA-21 reauthorization and related issues – conformity and CMAQ in particular – over the coming months.

Next, ALAPCO Committee Chair Eric Skelton (Spokane, WA) briefed the group on activities related to several diesel issues. First, he reminded attendees of the American Trucking Associations' petition of the previous year asking EPA to reconsider the October 2004 onroad heavy-duty diesel (HDD) rule and sought Board approval to send a letter to EPA Administrator Whitman urging her to deny the petition. Board members present unanimously approved this request and the associations' continued advocacy for the onroad HDD rules. Eric then updated the group on the development by EPA of the nonroad diesel engine and fuel rule, explaining that we have heard from EPA that the agency will pursue a two-step approach to reducing sulfur in nonroad diesel fuel and will include protracted deadlines for engine standards. Eric reminded members of the associations' original position on regulations for nonroad diesels – that there be parity with the onroad diesel program – and also overviewed more recent recommendations made by the associations, along with other clean diesel advocates, which support slightly more extended timeframes than originally sought: 15-ppm fuel in 2008 and aftertreatment-based engine standards in 2009-2010 for PM and 2011-2012 for NO<sub>x</sub>. Accordingly, he noted that EPA's most recent thinking poses concerns regarding the two-step approach, the engine standard deadlines and coverage of certain engine categories (very large and very small).

Nancy Kruger (STAPPA/ALAPCO) then summarized details of a meeting with EPA Administrator Whitman and Assistant Administrator Jeff Holmstead that she and Bill Becker (STAPPA/ALAPCO) had attended recently with other clean diesel advocates to discuss the nonroad proposal. During that meeting, the clean diesel coalition expressed key concerns over such issues as averaging, banking and trading; the disparity in benefits between a one-step and a two-step fuels approach; preservation of the 2007 onroad diesel rule; and the timing of the proposal and final nonroad rule. Nancy indicated that Whitman had stated that EPA would take comment on, but not propose, ABT. In addition, the Administrator also stated firmly that the agency would not do anything that would reopen the 2007 onroad diesel rule.

Finally, Bill Becker advised the group that the STAPPA/ALAPCO Multi-State Clean Diesel Initiative had been named a finalist in the Harvard University Innovations in American Government awards program. The associations would receive a \$10,000 grant and were eligible for another \$90,000 grant if they become one of the five winners. The final step in this competition is a presentation on the initiative to a national panel of judges in May 2003.

**Monitoring** – Several EPA officials participated in the meeting via conference call to discuss the Biowatch Network, a biological monitoring program that the U.S. Office of Homeland Security (OHS) is initiating. Participants included the

EPA OAQPS Director Steve Page, Rich Scheffe and Tom Coda of OAQPS, and Jerry Kurtzweg, Director of the EPA Office of Program Management Operations.

Steve Page provided a brief overview of the effort, which includes installing monitors in up to 20 cities to check for a series of biological and chemical substances that may be part of a terrorist action. Each city will have several monitors, the information from which is to be retrieved daily by state and local air agency staff and evaluated at health department laboratories. Steve noted that the program is being lead by the U.S. Office of Homeland Security, the U.S. Centers for Disease Control and Prevention and the U.S. Department of Energy and is being carried out as quickly as possible. Several cities have been identified for the initial phase of the program and EPA staff is currently working with state and local officials to begin operations. Since there are national security implications, complete information about the program is not available and the details are to remain as confidential as possible. The members discussed the program with the EPA staff and raised various issues, including training, funding, locations of monitors, substances to be monitored, laboratory analysis and public notification.

After EPA staff left the call, Dick Valentinetti (VT), STAPPA Chair of the Monitoring Committee, discussed the fact that EPA's budgets during the last few years included \$3 million each year for air toxics monitoring and that he expected that to continue. He noted that a monitoring methods conference for state and local agencies was being contemplated.

Dick reported that the initial five-year grant period for PM<sub>2.5</sub> monitoring will end in April 2003 and there is still approximately \$42 million in state and local grants in the account. There are a number of state and local agencies that had not yet submitted bills to collect grant funds; Dick advised that these agencies should do so quickly. EPA has indicated that any remaining funds can be reprogrammed to the next grant year and must still be used for PM<sub>2.5</sub> monitoring.

**Training** – Mary Boyer (CA), STAPPA Chair of the Training Committee, focused on the impact of the lack of funding on training activities. Two area training centers receive less than \$50,000 (the minimum needed for an effective program); three regional consortia are below \$100,000 (the minimum needed for an effective program); other training providers will not receive funding to cover increased expenses; additional courses will not be developed or updated; and satellite broadcasts will decrease. These needs total \$324,800, but since it appears that state and local grants will not increase, she did not ask for more “off-the-top” money and, instead, asked for suggestions on other funding sources. After much discussion, it was suggested that EPA be approached about using settlement money for training – in particular, with respect to one upcoming settlement. Shelley Kaderly (NE) agreed to approach EPA about this.

Other Committee activities include posting Tools for Trainers, which contains helpful information for training coordinators, on Air Web and Clean Air World, and planning for the annual Joint Training Committee, which will be March 3-5, 2003, in San Antonio, Texas, in conjunction with the Satellite Downlink Coordinators' Conference.

**Global Warming** – Art Williams (Louisville, KY), ALAPCO Chair of the Stratospheric Ozone and Global Warming Committee, provided an update on Committee activities. He began by noting that the scientific evidence of climate change continues to accumulate. He then reported that STAPPA and ALAPCO's Clean Air and Climate Protection Software (CACPS) will be released soon. CACPS is a strategic planning software that will allow state and local air officials to do some big picture planning to see what strategies would best reduce emissions of both criteria pollutants and greenhouse gas (GHG) emissions. STAPPA and ALAPCO will roll out the software in the spring with a press conference and web cast, and conduct five training sessions around the country in the summer.

Next, Art noted that Chris James, STAPPA chair of the Committee, had written an article about climate change, focusing on the efforts of state and local entities in the U.S., for a magazine distributed worldwide to members of the International Federation of Environmental Health. He then provided an update on the results of the Eighth Conference of the Parties to the U.N. Framework Convention on Climate Change (COP-8) and noted that Russia needs to ratify the Kyoto Protocol for it to go into effect. On domestic matters, several bills have been introduced related to climate change in the 108<sup>th</sup> Congress, including a GHG emission cap-and-trade bill introduced by Senators Lieberman and McCain.

Art concluded by noting some exceptional efforts by states and localities – for example, New York announced it will adopt a renewable portfolio standard and adopt California's carbon dioxide motor vehicle emission standard, and Seattle City Light entered into a GHG mitigation contract. The Pew Center on Global Climate Change released a report last fall highlighting efforts of states to reduce GHG emissions, which received a lot of attention in the press.

#### **IV. Development of Spring Membership Meeting Agenda – Monday, February 3, 2003**

Board Members and Committee Chairs discussed the agenda for the STAPPA/ALAPCO 2003 Spring Membership Meeting, which will be held on May 4-7, 2003 in Baltimore, Maryland. They reviewed a list of suggestions from the staff regarding possible sessions and topics, and also discussed what types of sessions have been successful in the past and which topics are most timely for the next meeting. After discussing several topics and making suggestions and stating preferences about how the draft agenda might be changed, they directed the staff to develop an agenda for the membership meeting.



## **V. Miscellaneous – Monday, February 3, 2003**

***Financial Statements and Audit Results*** – Bill Becker (STAPPA/ALAPCO) distributed the auditors' printed report on the audit of STAPPA and ALAPCO, and reported that STAPPA and ALAPCO had received a clean audit: (1) there are no material weaknesses in internal controls over financial reporting and operation and (2) STAPPA and ALAPCO has complied, in all material respects, with federal accounting requirements. Bill then reviewed STAPPA's and ALAPCO's respective financial statements and answered questions. Finally, he reviewed the financial statement for the GHG Software Tool Project.

***Future Meeting Locations and Dates*** – Bill Becker (STAPPA/ALAPCO) reviewed future meeting locations and dates. The 2003 Spring Membership Meeting will be in Baltimore, Maryland, May 3-7, 2003. The 2003 Fall Membership Meeting will take place at the Pan Pacific hotel in San Francisco, California, October 18-22, 2003. Discussion then turned to possible dates and sites for the 2003 Summer Meeting of the Boards of Directors and Committee Chairs. After some discussion, it was decided that the staff should explore the availability of a location in Whitefish, Montana the first weekend in August.

## **VI. New Business – Monday, February 3, 2003**

The members briefly discussed several issues, including the need for several of the STAPPA/ALAPCO committees to coordinate on the associations' reactions to the transport rule and the importance of "plain English" explanations of the New Source Review rule.

## **VII. Adjournment**

The 2003 Winter Meeting of the STAPPA and ALAPCO Boards of Directors and Committee Chairs was adjourned.

## AGENDA

### STAPPA AND ALAPCO BOARDS OF DIRECTORS AND COMMITTEE CHAIRS WINTER MEETING

February 1-3, 2003  
Pointe South Mountain  
7777 South Pointe Parkway  
Phoenix, AZ 85044  
(602) 438-9000

#### **Saturday, February 1, 2003**

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| 7:00 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.  | <u>Update on Critical Nonattainment Issues</u><br>Lydia Wegman (EPA OAQPS)  |
| 10:00 a.m. – 10:15 a.m. | Break   |
| 10:15 a.m. – 12:30 p.m. | <u>Committee Reports on Critical Issues and Related Discussion</u> <ul style="list-style-type: none"><li>• Criteria Pollutants (20 minutes)</li><li>• Public Education and Communications (10 minutes)</li><li>• Air Toxics (20 minutes)</li><li>• Energy (30 minutes)</li><li>• Emissions/Modeling (10 minutes)</li><li>• Agriculture (30 minutes)</li><li>• External Relations (15 minutes)</li></ul> |

#### **Sunday, February 2, 2003**

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| 7:00 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"><li>• New Source Review (90 minutes)</li><li>• Program Funding (30 minutes)</li></ul> |
| 10:00 a.m. – 10:15 a.m. | Break  |

**Sunday, February 2, 2003 (continued)**

10:15 a.m. – 12:30 p.m.

**Committee Reports on Critical Issues and Related Discussion**

- Mobile Sources and Fuels (45 minutes)
- Monitoring (45 minutes)
- Training (30 minutes)
- Stratospheric Ozone and Global Warming (15 minutes)

**Monday, February 3, 2003**

7:00 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. – 10:00 a.m.

Miscellaneous

- Financial Statements and Audit Results
- Future Meeting Locations and Dates

10:00 a.m. – 10:30 a.m.

New Business

10:30 a.m.

Adjourn