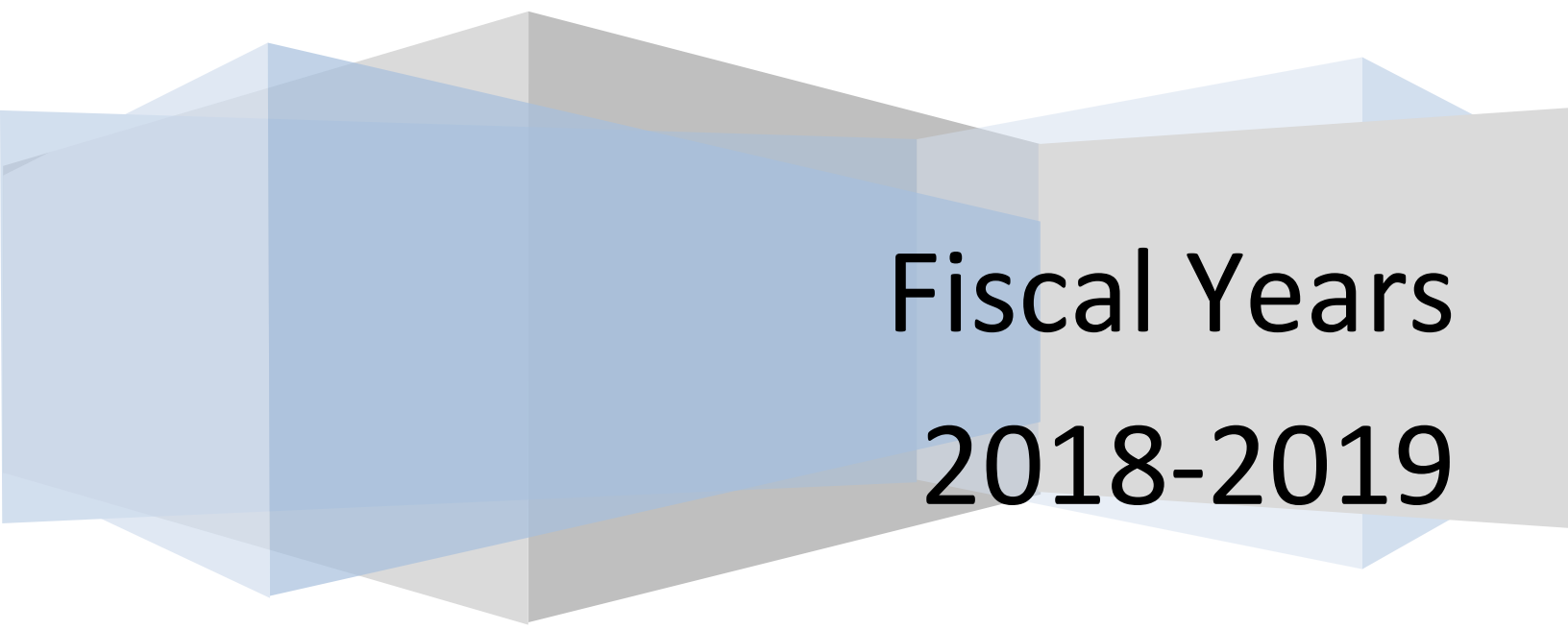


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# **DRAFT FY 2018-2019 Office of Air and Radiation (OAR) National Program Manager Guidance**



**Fiscal Years  
2018-2019**

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**Office of Air and Radiation**  
**Draft FY 2018-2019 National Program Manager (NPM) Guidance**

## Overview from the Office of the Chief Financial Officer

The EPA Overview to the NPM Guidances communicates agency-wide information as well as other applicable requirements critical to effective implementation of EPA's environmental programs for FY 2018 and FY 2019 and should be reviewed in conjunction with this Guidance. The Overview is available at: <https://www.epa.gov/planandbudget/national-program-manager-guidances>.

## 1. Office of Air and Radiation Introduction

The FY 2018-2019 Office of Air and Radiation's (OAR) National Program Manager (NPM) Guidance describes the key activities expected to be undertaken by the EPA, states, territories, and tribal governments as they work together to protect and improve the quality of the Nation's air. The Guidance is consistent with the FY 2018 President's Budget request.

The associated grant guidance provides information on the State and Tribal Grant program (STAG). Together they provide the basis for negotiations between EPA headquarters and regions and between regions and implementing air agencies<sup>1</sup> as to resource allocation and expected performance. Specific expectations and deliverables will be established through workplan and budget negotiations between EPA regions and air agencies. OAR encourages air agencies to engage EPA on activities where there may be opportunities for flexibility.<sup>2</sup>

The OAR NPM Guidance is a *guide*. Requirements may exist through law. Additionally, there may be other activities appropriate to include in particular grant agreements negotiated by an EPA region and implementing air agency not specifically listed in this guidance.

The Guidance reflects the core work related to meeting statutory, regulatory, and court-ordered requirements. EPA regions and air agencies are encouraged to use the established work-planning process to provide flexibility and tailor work expectations and resource allocations to meet local circumstances, as long as core work continues. And, EPA regions will work collaboratively with state and local air agencies to prioritize activities and agree on the level of effort within available resource levels.

OAR recognizes that there will not be enough resources to do everything and not all programs and requirements apply in the same way everywhere. And, 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, as necessary and appropriate, EPA is prepared to work with air agencies to adjust resources to meet changing priorities. The air program is committed to working collaboratively with states, tribes, and local agencies to resolve issues that may arise during the course of work planning. OAR also coordinates with EPA program offices, regions, states, and local agencies and engages in consultation and coordination with tribal governments as it designs, develops, implements and oversees

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<sup>1</sup> Air Agencies are defined in this document as state, tribal, or local air pollution control agencies.

<sup>2</sup> The ECOS [Field Guide](#) includes references to EPA guidance, memos, and other official documents, as well as documents from ECOS developed in conjunction with EPA, in which flexibility is offered and encouraged to help states implement federal programs in a more efficient, cost-effective, and results-focused manner.

national air programs. Regional offices will work with states and local air agencies and consult with tribes to implement and review these programs.

Activities in this guidance encompass activities envisioned in FY 2018 and FY 2019 and may carry forward to future years; any out-year activities are included to inform air agencies of future work to assist with planning.

## 2. Program Activities

### 2.1 National Ambient Air Quality Standards (NAAQS)

In FY 2018 and 2019, EPA will work with air agencies to achieve and maintain compliance with the NAAQS, including the ozone standards established in 2015, 2008, 1997, and 1979; PM<sub>2.5</sub> standards established in 2012, 2006, and 1997; the 1987 PM<sub>10</sub> standard; the 2008 lead standard; the 2010 NO<sub>2</sub> standard; the 1971 CO standard; and the 2010 and 1971 SO<sub>2</sub> standards. EPA will continue its periodic reviews of the NAAQS as required by the CAA. EPA will continue to work closely with air agencies on all aspects of implementing the NAAQS.

#### **2.1.1 Expected State and Local Agency Activities**

##### 2.1.1.1 SIPs

1. Develop and submit good neighbor SIPs for the 2008 and 2015 ozone NAAQS.
2. Submit good neighbor SIPs for the 2012 annual PM<sub>2.5</sub> NAAQS, if not yet submitted.
3. Develop and submit infrastructure SIPs for the 2008 ozone NAAQS, 2012 PM<sub>2.5</sub> NAAQS and 2015 ozone NAAQS, if not yet submitted.
4. Conduct SO<sub>2</sub> air quality planning, including the development and submittal of attainment demonstration SIPs as necessary, in accordance with the SO<sub>2</sub> Data Requirements Rule and associated guidance.
5. Develop and submit attainment demonstration SIPs for 2008 ozone NAAQS.
6. Develop attainment demonstration SIPs for 2015 ozone NAAQS, if required.

##### 2.1.1.2 Designations

1. Provide comments, as necessary, regarding area designations and boundaries for the 2015 ozone NAAQS and 2010 SO<sub>2</sub> NAAQS, in accordance with relevant Clean Air Act procedures and associated EPA guidance.

##### 2.1.1.3 Other

1. Conduct public notification, including reporting real-time air quality data and forecasts for ozone and particle pollution.
2. Implement strategies for controlling emissions from wood smoke where it is a significant contributor to air quality problems, including regulatory and non-regulatory measures.
3. Submit re-designation requests, including maintenance plans, for areas that attain NAAQS.
4. Continue to implement strategies to attain and maintain NAAQS in all areas.
5. Prepare to submit data to the Emissions Inventory System (EIS) for the 2017 National Emissions Inventory (due December 2018).

6. Review and comment on the latest Modeling Platform,<sup>3</sup> including future-year emissions projections.
7. Prepare to submit emissions data for the current reporting year Air Emissions Reporting Requirements (due December the following year).
8. Continue to implement and, if necessary, supplement ozone and PM Advance action plans.
9. Work with EPA and tribes, as necessary, to clarify air quality management authority for non-reservation tribal lands.

**2.1.5 Measures:** OAQPS N07, N09, N29, N30, N31, N33, N34, N35

## **2.2 Regional Haze**

In FY 2018 and FY 2019, EPA will continue to implement the Regional Haze program with states and in Indian country. With regard to first planning period obligations, some states may submit SIP revisions to replace regional haze Federal Implementation Plans (FIPs). EPA will continue to coordinate with those states that are under deadlines to submit five-year progress reports. In addition, EPA will review and act on five-year progress reports that have been submitted. EPA will continue to address the legal actions related to EPA's action on the initial SIP submittals and related regional haze rulemakings. EPA will continue with planning and implementation for the second planning period based on the Regional Haze Rule revisions completed in 2016 and guidance to be completed in 2017.

### **2.2.1 Expected State and Local Agency Activities**

1. Work on replacing regional haze FIPs with SIPs, that are consistent with CAA and Regional Haze rule requirements, if desired by the state.
2. Implement BART and other SIP requirements.
3. Submit five-year progress reports, as applicable.
4. Work on SIPs to be submitted no later than the due date consistent with the 2016 Regional Haze Rule revisions. Some air agencies may submit their states' SIP in FY 2018, even though the due date for these SIPs has been revised to July 31, 2021.
5. As desired, work with HQ, regional offices and federal land managers to develop refined estimates of natural visibility conditions.

**2.2.2 Measures:** OAQPS N08

## **2.3 Title V and New Source Review Permitting**

In FY 2018 and FY 2019, EPA will continue to support the timely issuance of permits by state and local permitting authorities and respond to citizen petitions under the Title V operating permits program. EPA will continue to address compliance monitoring issues when reviewing Title V and New Source Review (NSR) and Prevention of Significant Deterioration (PSD) permits issued by state, local, and tribal permitting authorities, and will continue to include monitoring as an element in program reviews where appropriate. Pursuant to the January 24, 2017, Presidential Memorandum on permit streamlining and Executive Order 13777, EPA will repeal, replace, or modify existing regulations to streamline the federal permitting process and reduce regulatory burdens for domestic manufacturers. EPA will work with states and tribes to implement any revisions to the Title V, PSD and NSR programs, including updates to

<sup>3</sup> For more information on Modeling Platforms visit <https://www.epa.gov/air-emissions-modeling>.

delegation agreements for delegated states and review of implementation plan and program revisions for SIP-approved states. EPA will conduct timely review of permit applications for areas of the country where EPA is the permit authority.

### **2.3.1 Expected State and Local Agency Activities**

1. Provide data in a timely manner on Title V permits to EPA for entry into TOPS.
2. Issue initial permits, significant permit modifications, and renewal Title V permits and reduce backlog of renewal permits.
3. Participate with EPA in Title V permit program evaluations, set targets to respond to EPA's evaluation report, and implement recommendations.
4. Issue major NSR PSD permits within one year of making the determination of completeness.
5. Issue NSR permits consistent with CAA requirements and enter BACT/LAER determinations in the RACT/BACT/LAER Clearinghouse (RBLC).
6. Provide data in a timely manner on PSD permits issued for new major sources and major modifications by entering data including "the application accepted date" and "the permit issuance date" into the RBLC national database.

### **2.3.2 Measures:** OAQPS P06 through P20

## **2.4 Ambient Air Monitoring for Criteria Pollutants**

In FY 2018 and FY 2019, EPA will continue working with states and tribes to conduct air monitoring activities consistent with statutory and regulatory requirements, with an emphasis on sufficient quality assurance programs and consideration of multiple pollutant measurements. This approach includes changes, as necessary, to effectively and efficiently implement revised NAAQS monitoring requirements for ozone, lead, sulfur dioxide (SO<sub>2</sub>), nitrogen dioxide (NO<sub>2</sub>), carbon monoxide (CO), and/or particulate matter.

Detailed Ambient Monitoring Guidance will be posted on EPA's Ambient Monitoring Technology Information Center website at <http://www.epa.gov/amtic/> under Regulations and Guidance.

### **2.4.1 Expected State and Local Agency Activities**

1. Operate required monitors including SLAMS, NCore, PM<sub>2.5</sub> speciation, SO<sub>2</sub> Data Requirements Rule and PAMS according to 40 CFR Part 58, approved monitoring plans, and/or grant agreements including Quality Management Plans (QMPs) and Quality Assurance Project Plans (QAPPs).
2. Ensure that independent Quality Assurance (QA) audits (Lead Performance Evaluation Program, NPAP) of SLAMS and other applicable monitoring systems take place according to criteria and schedule outlined in 40 CFR Part 58, App. A.
3. Conduct monthly QA checks for flow rates of PM<sub>2.5</sub> speciation monitors and submit data quarterly to the Air Quality System (AQS).
4. Submit annual network plan required by 40 CFR 58.10, by July 1 of each year, unless another schedule has been approved.
5. Submit five-year network assessments required by 40 CFR 58.10(d), by July 1<sup>st</sup> of each five-year cycle year (i.e., 2015, 2020, 2025).
6. Submit SLAMS data, PAMS, NCore, and QA data to AQS according to schedule in 40 CFR Part 58.

7. Certify annual SLAMS data in AQS and provide supporting documentation per 40 CFR 58.15, including exceptional event flags, by May 1<sup>st</sup> of each year, unless another schedule has been approved.
8. Report real time data to AirNow for cities required to report the Air Quality Index (AQI).

**2.4.2 Measures:** OAQPS M06 through M12

## **2.5 Air Toxics Program Implementation**

The Clean Air Act requires EPA to regulate emissions of toxic air pollutants from a published list of source categories. EPA is required to develop regulations for all industries that emit one or more toxic air pollutants in significant quantities. The Act also requires EPA to develop regulations for categories of sources which cause or significantly contribute to air pollution that may endanger public health or welfare. Under this section of the Act, EPA must review and approve the plans for existing sources of non-criteria pollutants that states develop whenever EPA promulgates a standard for a new source. In FY 2018 and FY 2019, EPA will promulgate, revise, and amend regulations, as resources allow, on deadlines as mandated by the Act and as required by court orders or other binding directives or agreements. Underscoring EPA's work will be an emphasis on activities to support and assist states, cities, and communities address air toxics, taking into consideration the January 2016 recommendations from the Clean Air Act Advisory Committee.

### **2.5.1 Expected State and Local Agency Activities**

1. Implement delegated or approved air toxic standards, as appropriate, for major sources and area sources.
2. Implement delegated residual risk standards.
3. Conduct data analysis and assessment of air toxics monitoring data.
4. Assess and address local air toxics issues, including the combined impact of multiple sources of air toxics, and support efforts to reduce emissions encouraging voluntary reductions of air toxics.

**2.5.2 Measures:** OAQPS T05

## **2.6 Ambient Air Monitoring for Toxics**

EPA will continue to offer technical support to air agencies as they implement the National Air Toxics Monitoring Network. The network has two main parts: National Air Toxics Trends Sites (NATTS) and Local Scale Monitoring (LSM) projects. The NATTS, designed to capture the impacts of widespread pollutants, includes 27 permanent monitoring sites, and the LSMs comprise scores of short-term monitoring projects, each designed to address specific local issues. See: <https://www3.epa.gov/ttn/amtic/airtoxpg.html>.

### **2.6.1 Expected State and Local Agency Activities**

1. Operate NATTS sites and other air toxics study sites, according to EPA's technical guidance and the QAPP and QMP. (M20)
2. Participate in inter-laboratory Proficiency Testing and Technical System Audit programs according to national guidance and the approved QAPP and QMP.
3. Submit NATTS data to AQS quarterly within 120 days of end of each quarter.

4. As federal funding is available, conduct community-scale assessment projects consistent with grant terms (including schedule), technical guidance, and applicable QAPPs and QMPs
5. Submit data from federally-funded community monitoring projects to AQS quarterly within 120 days of end of each quarter. The data objective for completeness rate is 85% of the potential concentration values for the study period.

**2.6.5 Measures:** OAQPS M18, M19, M20

## **2.7 Allowance Trading and Other Stationary Source Programs**

The following section includes the regional Cross-State Air Pollution Rule (CSAPR), the national Acid Rain SO<sub>2</sub> and NO<sub>x</sub> emission reduction programs and the Mercury and Air Toxics Standards (MATS) Rule.<sup>4</sup> CSAPR requires 27 states in the eastern half of the United States to significantly improve air quality by reducing emissions that cross state lines and contribute to ground-level ozone and fine particle pollution in other states. EPA remains committed to working with states to develop plans that will fully address transport for all NAAQS.

EPA is also assisting states with the implementation of the MATS Rule, which requires electronic reporting of hour-by-hour emissions of mercury (Hg), hydrogen chloride (HCl), hydrogen fluoride (HF), and SO<sub>2</sub> (for units with SO<sub>2</sub> scrubbers that opt to monitor SO<sub>2</sub> as a surrogate for HCl) and associated quality assurance of data for sources that use continuous emission monitoring systems and sorbent trap monitoring systems.

EPA will continue its integrated assessment program that includes enhanced ambient, deposition, and rural ozone monitoring through the Clean Air Status and Trends Network (CASTNET) and surface water chemistry and aquatic ecosystem response monitoring through the Long-Term Monitoring (LTM) programs.<sup>5</sup> Ozone measurements from CASTNET's rural ozone monitoring sites are used to determine if an area meets, or exceeds, the NAAQS.

### **2.7.1 Expected State and Local Agency Activities**

1. Submit any state-promulgated allowance allocations decisions to EPA for incorporation into unit accounts.
2. Assist sources with monitor certifications and recertifications, emissions monitoring, and reporting.
3. Perform electronic and field audits of monitor certifications, Part 75 continuous emissions monitoring systems (CEMS), and emissions reporting by sources. States and locals should perform Part 75 CEMS field audits in accordance with the field audit manual. See: <http://www.epa.gov/airmarkets/emissions/audit-manual.html>.
4. Provide reports of the audits and any corrective actions needed to the appropriate EPA regional office and HQ.

**2.7.2 Measures:** None. EPA tracks changes in nitrogen deposition and sulfur deposition to assess the effectiveness of the Acid Rain program through its annual progress report. See:

<sup>4</sup> See <http://www.epa.gov/crossstaterule/> for updates on CSAPR.

<sup>5</sup> For additional information on CASTNET and LTM, see <https://www.epa.gov/castnet> and <https://www.epa.gov/airmarkets/clean-air-markets-monitoring-surface-water-chemistry> respectively.



<https://www3.epa.gov/airmarkets/progress/reports/index.html>. For more information about air quality trends, see: <http://www.epa.gov/airtrends>

## **2.8 Mobile Source Programs**

Mobile source programs include the development, implementation, and evaluation of regulatory programs to reduce emissions from mobile sources and the fuels that power them. Types of mobile sources addressed include: light-duty vehicles/engines - cars, light-duty trucks, sport utility vehicles; heavy-duty vehicles/engines - buses, large trucks; nonroad vehicles/engines - construction, farm equipment, locomotives, marine; and fuels - diesel, gasoline, renewables.

### **2.8.1 Expected State and Local Agency Activities**

1. Implement mobile source control strategies on time and consistent with SIP commitments.
2. Implement grants to accomplish needed reductions (e.g., DERA grants).
3. Work with transportation agencies, as appropriate, to update mobile SIP budgets in response to changing needs such as updates to the mobile model MOVES or other changes.
4. As appropriate, use flexibilities provided in the Transportation Conformity Rule Restructuring Amendments from March 2012 to update out-of-date conformity SIPs.
5. Continue to support inspection and maintenance (I/M) programs that focus on in-use vehicles and engines.
6. Work with a broad range of stakeholders to focus efforts on reducing mobile source emissions in and around ports.

**2.8.2 Measures:** OTAQ 01a, 01b, 01c1, 02a, 02b, 03a, 03b, 06, 07

## **2.9 Improving Outdoor Air Quality in Indian Country and Alaska Native Villages**

This section addresses attaining and maintaining the NAAQS, improving visibility, reducing the risks from air toxics and strengthening the technical capacity of tribal environmental professionals in Indian country. Each activity listed below should be tailored to each tribe's capabilities and needs.

### **2.9.1 Expected Tribal Activities**

#### **2.9.1.1 Tribal Air Quality Management**

1. Continue to implement strategies to attain and maintain the NAAQS, as appropriate.
2. Conduct public notification, including reporting air quality data and forecasts for ozone and particle pollution.
3. Provide air quality monitoring and/or assessment data to EPA and/or AQS.
4. Complete and submit emissions inventories to the EIS. (TR08)
5. Participate in regional and national meetings, conferences, and teleconferences on rule and policy development, attend outreach events, and seek training and support to build capability for effective participation.
6. Submit eligibility determinations under the Tribal Authority Rule (TAR). (TR01)
7. Submit tribal implementation plans (TIPs) and/or develop ordinances to address air quality conditions for reservation areas and for non-reservation areas within the tribe's jurisdiction. (TR03)
8. Assist in federal implementation plan (FIP) development and implementation process for sources and areas in Indian country.

9. Participate in local, regional, and national policy developments and actions directly with tribes or through the National Tribal Air Association (NTAA).
10. Participate in training and technical support activities conducted as part of the American Indian Air Quality Training Program (AIAQTP), including attending workshop training both as students and instructors and assisting tribes in collaborative learning.
11. Participate in training on and/or implement programs to address air quality concerns.
12. Continue discussion and outreach on the use of ambient air monitoring sensor applications.
13. Continue operating three tribal CASTNET small-footprint monitoring sites at Nez Perce, ID; Kickapoo, KS; and Red Lake, MN; and three full tribal CASTNET sites at Alabama-Coushatta, TX; Cherokee, OK; and Santee Sioux, NE.
14. Work with states and EPA, as necessary, to clarify air quality management authority for non-reservation tribal lands.

2.9.1.2 Tribal Title V and New Source Review Permitting Activities

1. Work with regions to register minor sources for NSR permit planning.
2. Tribes with approved new source permitting programs should issue permits.
3. Work with regions to understand tribal role in implementing NSR and as appropriate, participate in permitting, take program delegation, or develop TIPs.

2.9.2 Measures: OAQPS TR01 through TR08

++ End ++

# Appendix A: FY 2018 Measures

Each year, the OAR National Program Guidance identifies measures that EPA headquarters and regions use to track progress on key activities. Selected measures have specific performance targets while other measures are indicators without specific targets; both measure types track program implementation. As regions work collaboratively with state and local air agencies to prioritize activities, and based on the available resources, the measures and associated targets may be modified consistent with agency priorities.

| Measure Code     | Change from FY 2017 | Measure Text  | Indicator      | FY 2018 Target |
|------------------|---------------------|---|----------------|----------------|
| <del>0AP-1</del> | Deleted             | <del>Percentage increase in the cumulative square footage benchmarked compared to the previous calendar year. The end of the calendar year goal is 10%.</del>   | <del>Yes</del> | <del>-</del>   |
| <del>0AP-7</del> | Deleted             | <del>Number of people reached (impressions) during Regional outreach/education activities in promoting ENERGY STAR.</del>   | <del>No</del>  | <del>-</del>   |
| <del>0AP-8</del> | Deleted             | <del>Number of ENERGY STAR technical support activities.</del>  | <del>No</del>  | <del>-</del>   |
| OAQPS M06        |                     | Percentage of state/local monitoring agency certification requests acted on by the region by evaluating the QA information and applying the appropriate certification flag in AQS.  | No             | 100%           |
| OAQPS M07        |                     | Percentage of required Technical Systems Audits conducted to achieve an audit of each primary quality assurance organizations (PQAO) within a 3-year period and each monitoring organization within a 6-year period.  | No             | 100%           |
| OAQPS M08        |                     | Percentage of state and local annual monitoring plans with proposed network changes that are reviewed and approved within 120 days of receipt by region.  | No             | 100%           |
| OAQPS M09        |                     | Percentage of 2nd and later Approved Regional Method (ARM) requests acted on by the region.   | No             | 100%           |
| OAQPS M10        |                     | Percentage of affected entities who operate monitors in accordance with Part 58, grant terms, and QAPP.   | No             | 100%           |
| OAQPS M11        |                     | Percent of primary quality assurance organizations submitting NAAQS pollutant data, PAMS, and QA data to AQS directly or indirectly through another organization according to schedule in 40 CFR Part 58. Result is the percentage of PQAO submitting data in accordance with 40 CFR Part 58. | No             | 100%           |

Appendix A – FY 2018 Performance Measures

| Measure Code | Change from FY 2017 | Measure Text  | Indicator | FY 2018 Target |
|--------------|---------------------|---|-----------|----------------|
| OAQPS M12    |                     | Percentage of AQS quarterly data reviews completed.   | No        | 100%           |
| OAQPS M18    |                     | Percentage of NATTS Technical Systems Audits the Region participates in over a 3-year period.   | No        | 50%            |
| OAQPS M19    |                     | Percentage of community-scale air toxics ambient monitoring programs for which Region reviewed QA requirements and ensured measurement consistency with NATTS when appropriate.   | No        | 100%           |
| OAQPS M20    |                     | Percentage of affected entities who operate NATTS in accordance with national guidance and QAPPs.   | No        | 100%           |
| OAQPS N07    |                     | Number of final rulemaking actions taken on PM2.5 SIPs, consistent with timeframes established in the Clean Air Act.  | Yes       | -              |
| OAQPS N08    | Clarification       | Number of final rulemaking actions taken on Regional Haze 5-Year Progress Report SIPs <b>for the first Regional Haze planning period</b> , consistent with timeframes established in the Clean Air Act.   | Yes       | -              |
| OAQPS N09    |                     | Number of final rulemaking actions taken on redesignation requests and Clean Data Determinations for all NAAQS, consistent with timeframes established in the Clean Air Act.  | Yes       | -              |
| OAQPS N29    |                     | Number of final rulemaking actions taken on 2008 ozone SIPs, consistent with timeframes established in the Clean Air Act.   | Yes       | -              |
| OAQPS N30    |                     | Percentage of newly violating areas/counties that Region is targeting for developing appropriate actions to bring designated attainment areas into compliance with the NAAQS.   | No        | 100%           |
| OAQPS N31    |                     | Number of states or local agencies developing and/or commencing implementation of innovative and voluntary emission reduction projects, particularly local ozone reduction programs to help achieve attainment of ozone NAAQS and strategies for controlling emissions from wood smoke where it is a primary contribution to PM 2.5 NAAQS problems. | Yes       | -              |
| OAQPS N33    |                     | Number of final rulemaking actions on 2010 SO2 SIPs, consistent with timeframes established in the Clean Air Act.   | Yes       | -              |
| OAQPS N34    |                     | Number of final rulemaking actions taken on interstate transport SIPs for the 2012 PM NAAQS, consistent with timeframes established in the Clean Air Act (due December 2015).   | Yes       | -              |
| OAQPS N35    |                     | Number of final rulemaking actions taken on interstate transport SIPs for the 2010 SO2 and NO2 NAAQS, consistent with timeframes established in the Clean Air Act.  | Yes       | -              |
| OAQPS P06    |                     | Number of Title V program evaluation reports completed within the fiscal year.  | No        | 1              |

Appendix A – FY 2018 Performance Measures

| Measure Code | Change from FY 2017 | Measure Text  | Indicator | FY 2018 Target |
|--------------|---------------------|---|-----------|----------------|
| OAQPS P09    | Clarification       | Percentage of <b>state-issued</b> major NSR/PSD permits reviewed for new and modified sources to ensure consistent implementation of the NSR program.                           | No        | 50%            |
| OAQPS P11    |                     | Percentage of permitting authorities reporting TOPS data.   | No        | 100%           |
| OAQPS P12    | Clarification       | Percentage of Part 71 significant modifications issued by EPA <b>Regions</b> within 18 months of receiving a complete permit application.                                       | No        | 100%           |
| OAQPS P13    | Clarification       | Percentage of Part 71 initial permits issued <b>by EPA Regions</b> within 18 months of a <b>receiving a</b> complete permit application.  | No        | 94%            |
| OAQPS P14    |                     | Part 71 renewals: Percentage reduction of total Part 71 extended permits.   | No        | 10%            |
| OAQPS P19    | Clarification       | Percentage of PSD permits issued by <b>EPA Regions</b> within one year of receiving a complete permit application.  | No        | 80%            |
| OAQPS P20    | Clarification       | Percentage of Part 70 permit actions (initial, renewals, merged permits, and significant modifications) reviewed by <b>EPA Region</b> .   | No        | 2%             |
| OAQPS T05    |                     | Number of communities the Region is working with to assess and address sources of air toxics, including the use of voluntary air toxic reduction programs in their communities. | Yes       | -              |
| OAQPS TR01   |                     | Cumulative number of tribes with approved eligibility determinations under the Tribal Authority Rule.   | Yes       | -              |
| OAQPS TR02   |                     | Cumulative number of tribes with delegation of federal programs to address air quality conditions on tribal lands.  | Yes       | -              |
| OAQPS TR03   |                     | Cumulative number of tribes with approved TIPs to address air quality conditions on tribal lands.   | Yes       | -              |
| OAQPS TR04   |                     | Number of tribes conducting air quality monitoring activities.  | Yes       | -              |
| OAQPS TR06   |                     | Number of tribes implementing voluntary or other non-regulatory programs.   | Yes       | -              |
| OAQPS TR08   |                     | Number of tribes that completed or updated an emission inventory during the fiscal year.  | Yes       | -              |

Appendix A – FY 2018 Performance Measures

| Measure Code          | Change from FY 2017 | Measure Text   | Indicator | FY 2018 Target |
|-----------------------|---------------------|--|-----------|----------------|
| OTAQ 01a              |                     | Percentage of projects for the current Fiscal Year entered into DRIVER.  | Yes       | -              |
| OTAQ 01b              |                     | Percentage of projects for the current Fiscal Year with engines entered into DRIVER.   | Yes       | -              |
| OTAQ 01c1             |                     | Percentage of projects for the current Fiscal Year with emission reductions entered into DRIVER.   | Yes       | -              |
| OTAQ 02a              |                     | Percentage of timely adequacy/inadequacy determinations made by the Region for identified mobile source budgets included in control strategy SIPs or maintenance plans for transportation-related criteria pollutants (e.g. ozone, CO, PM2.5, PM10) submitted by states. | No        | 100%           |
| OTAQ 02b              |                     | Percentage of approval/disapproval rulemaking actions taken on mobile budgets included in control strategy SIPs or maintenance plans for transportation-related criteria pollutants (e.g., ozone, CO, PM2.5, PM10) at the time of final rulemaking on such SIPs.         | No        | 100%           |
| OTAQ 03a              |                     | Percentage of transportation conformity determinations submitted by US DOT or an MPO that the region reviewed and commented on for 8-hour ozone, PM2.5, PM10, and CO nonattainment and maintenance areas.  | No        | 100%           |
| OTAQ 03b              |                     | Number of final rulemaking actions taken by the Region on Transportation Conformity-related SIP revisions consistent with the annual SIP processing goal.  | No        | Sum of Bids    |
| <del>OTAQ 04</del>    | Deleted             | <del>Number of outreach activities conducted by the Region to support SmartWay programs.</del>   | Yes       | -              |
| OTAQ 06               |                     | Percentage of I/M reports submitted by states for existing I/M programs (including OBD) reviewed by the region within 4 months of submittal  | No        | 100%           |
| OTAQ 07               | New                 | Number of meaningful activities that support emission reductions at ports and/or railyards.  | No        | Sum of Bids    |
| <del>ORIA IAQ 5</del> | Deleted             | <del>Aggregate number of children with asthma or their caregivers, especially in EJ areas of concern, educated about environmental management of asthma and childhood exposure to ETS in homes, schools, and other settings.</del>                                       | No        | 5,000          |
| <del>ORIA IAQ 8</del> | Deleted             | <del>Number of technical support activities that advance indoor air programs and guidance for healthy buildings.</del>   | Yes       | -              |
| <del>ORIA IAQ 9</del> | Deleted             | <del>Cumulative number of programs supporting the delivery, infrastructure, and sustainable financing of environmental asthma interventions at home and school.</del>  | Yes       | -              |

Appendix A – FY 2018 Performance Measures

| Measure Code | Change from FY 2017 | Measure Text  | Indicator | FY 2018 Target    |
|--------------|---------------------|---|-----------|-------------------|
| ORIA RAD 1   |                     | Number of radiation exercises the Region participates in annually.  | No        | 10 (1 per Region) |
| ORIA RAD 2   |                     | Number of individuals identified and trained to fill RERT liaison and radiation advisor positions.  | No        | 20                |
| SIRG 1       | Deleted             | <del>Number of additional homes with operating mitigation systems.</del>  | Yes       | -                 |
| SIRG 2       | Deleted             | <del>Number of additional homes built with radon-resistant new construction.</del>  | Yes       | -                 |
| SIRG 3       | Deleted             | <del>Number of additional schools mitigated and/or built with radon-resistant new construction.</del>                                     | Yes       | -                 |
| SIRG 4       | Deleted             | <del>Number of newly adopted state, tribal, county and local building codes that require radon-resistant or active new construction</del> | Yes       | -                 |

# Appendix B: Effective Use and Distribution of STAG Funds

## 1. GRANT ASSISTANCE TO CO-IMPLEMENTERS

The President's FY 2018 budget requests \$178.3 million in State and Tribal Assistance Grant (STAG) funds for air programs. \$159.4 is targeted for continuing air programs carried out by states/locals. The request for the tribal air grant program is \$8.9 million and \$10 million for Diesel Emissions Reduction Act (DERA) Grants.

### Comparison of State and Tribal Assistance Grants for Air: FY 2016, FY 2017, and FY 2018 (in \$millions)

| Program Area                      | FY 2016 Enacted | FY 2017 Enacted (w/o rescission) | FY 2018 President's Request |
|-----------------------------------|-----------------|----------------------------------|-----------------------------|
| State/Local Air Program           | \$228.2         | \$228.2                          | \$159.4                     |
| Diesel Emission Reduction Program | \$50.0          | \$60.0                           | \$10.0                      |
| State Indoor Radon                | \$8.1           | \$8.1                            | \$0                         |
| Tribal Air Program                | \$12.8          | \$12.8                           | \$8.9                       |
| <b>Total</b>                      | <b>\$299.1</b>  | <b>\$309.1</b>                   | <b>\$178.3</b>              |

In May 2017, as part of the omnibus appropriation for FY 2017, Congress directed the agency to take a rescission to the STAG account and directed the Agency to use its historical allocation methodology for distributing FY 2017 \$105 resources to state and local air agencies.

### A. Continuing Air Program

The President's Budget reflects a re-focusing on statutory requirements, streamlining of core environmental work, and a reduction of duplicative activities. EPA is prepared to work collaboratively with air agencies to resolve issues that may arise during the course of work planning as necessary and appropriate.

Core Activities: In FY 2018 and FY 2019, state and local air agencies will continue to implement NAAQS, monitor industry compliance with EPA stationary source regulations, develop emission inventories, characterize air toxics problems, and meet NAAQS ambient monitoring requirements. EPA updates NAAQS according to CAA deadlines and based on the most recent science, and these updates typically require the preparation of new or updated state air quality implementation plans (SIPs). Due to the



multi-pollutant, and often regional nature of air pollution, preparation and implementation of SIPs are complex requiring modeling, technical analysis, refined emission inventories, monitoring, and increased stakeholder involvement and coordination. State and local air agencies also address hazardous air pollutants.

Ambient Monitoring: The CAA requires EPA to review each NAAQS every five years and propose necessary revisions. A revision to a NAAQS may place new monitoring requirements on states/locals/tribes. Funding of air monitoring, including a proposed transition in funding authorities for PM<sub>2.5</sub> monitoring and changes in the provision of associated program support, is addressed in greater detail in the Monitoring Appendix available at: <https://www.epa.gov/amtic>.

Allowance Trading Programs: The Clean Air Allowance Trading Programs are nationwide and multi-state programs that address major, national, and regional air pollutants from large stationary sources. In FY 2018, the EPA will operate five trading programs on behalf of 27 states in the eastern U.S. – two annual SO<sub>2</sub> trading programs, an annual NO<sub>x</sub> trading program and two ozone season NO<sub>x</sub> trading programs. Since 1998, all the affected states in each of the interstate air pollution control programs have elected to contribute a portion of their STAG dollars each year for the implementation of centralized allowance trading and emissions tracking systems. EPA is authorized to use Section 105 grants for direct implementation (PL 105-65, 111 Statute 1344, and 40 CFR 35.116). In its effort to support the states, EPA has assumed both fixed and variable costs in running the five trading programs. The average annual cost is estimated at \$2.4 million. These costs include systems operations and maintenance, software development and maintenance, and system security. The costs also include quality assurance and electronic auditing of emissions data, support for monitoring and reporting-related questions, and development of reporting procedures and instructions for new reporting requirements.

Multi-Jurisdictional Organizations (MJOs): Numerous states/locals have found it advantageous to form MJOs to help coordinate their geographically specific clean air interests at the regional level. A state or local agency wishing to fund an MJO may: a) direct that the Regional Office set aside that agency's desired contribution from its prospective portion of the regional allotment (i.e., on a pre-allotment basis); or, b) directly fund the MJO once the state or local agency receives its allotment. A Regional Office may provide STAG funding to such an organization using §103 authority only if: the contributing agencies provide their prior consent; the MJO is eligible for the funding; and, the MJO's activities are appropriate as associated program support. Funding for regional-scale MJOs is not delineated as part of the national region-by-region allocation of STAG funds but is instead identified within the respective Region's allotments to its state/local agencies.

State and local air agencies may request EPA to delineate part of EPA's region-by-region allocation of STAG funds to national-level MJOs that have a grant with EPA. National-level MJOs provide associated program support to its member state/local agencies by coordinating their air quality activities at the national level and engaging in activities that enhance their effectiveness. Member agencies may support a national-level MJO with their own STAG funds by either: a) providing their prior consent to EPA to target a portion of the funds that would otherwise be allotted to them to go instead for direct award to a national level MJO; or b) directing a national level MJO to bill them directly for their membership dues. Section 105 recipients who are not members of any national-level MJO will not have their allotments affected. State and local agencies that participate in multiple organizations can only direct their federal funds to a single organization. The awarding of funds to national level MJOs is subject to Agency review and approval.

Program Contact: Daniel J. Hopkins, OAR, (202) 564-8626.

Clean Air Act Training: CAA §103(b) authorizes EPA to provide training for air pollution control personnel and agencies, and to make training grants related to the causes, effects, extent, prevention, and control of air pollution available to air pollution control agencies and other qualified entities. EPA provides STAG funds annually for the support of CAA training provided by MJOs and other state training programs. These funds are subject to consultation and concurrence with participating states/local agencies. EPA will continue working with the Joint Training Committee which includes MJOs, national organizations, and several state and local agencies to:

1. Continue migration to a learning management system to improve the administration and delivery of classroom and web-based training;
2. Update self-instructional courses into a web-based format; and,
3. Develop curricula to facilitate the training of state and local air pollution agency staff on both introductory and more advanced state plan development.

In addition, EPA is expanding its use of training webinars, and expects to continue with web-based videos, website development, and other available means to support training and outreach for state and local agencies. The Agency continues to record and post training on the Air Pollution Training Institute website (<http://www.apti-learn.net>).

Program Contact: Debbie Stackhouse, OAR, (919) 541-5281.

Ozone Transport Commission (OTC): EPA will support the OTC using the CAA §106 authority of the OTC which represents Northeastern and Mid-Atlantic States in the Ozone Transport Region (OTR).

Program Contact: Catrice Jefferson, OAR, (202) 564-1668.

## **B. Diesel Emissions Reduction Act Grants**

EPA continues to support DERA grant funds for FY 2018. Priority for funding will be on ports and goods movement, poor air quality areas, communities suffering from a disproportionate exposure to diesel emissions, and/or those projects with multi-pollutant benefits. EPA will continue to manage DERA grants, rebates and loans and to monitor and close grants from prior years. EPA also will track, assess, and report the results of the DERA grants, such as numbers of engines retrofitted, emissions benefits, and cost-benefit information. For additional information see:

<http://www.epa.gov/cleandiesel/grantfund.htm>.

Program Contact: Jennifer Keller, OAR, (202) 343-9541.

## **C. Other Grant Programs**

Tribal Air Grants: Through CAA §105 grants, tribes may develop and implement programs to prevent and control air pollution or to implement national ambient air quality standards, NSR and permit programs, and delegated federal programs like 40 CFR Part 71 and MACT standards. Through CAA §103 grants, tribes, tribal air pollution control agencies, and multi-tribe jurisdictional air pollution control agencies may conduct and promote research, investigations, experiments, demonstrations, surveys, studies and training related to air pollution on tribal lands. For additional information see

<http://www.epa.gov/air/tribal>. Information on the allocation of tribal air grants will be provided at a later date.

Program Contact: Pat Childers, OAR, (202) 564-1082.

## 2. ALLOCATION of §105 GRANTS

Section 105 of the Clean Air Act provides the U.S. Environmental Protection Agency (EPA) authority to administer grants to state and local air pollution control agencies to support implementation of Clean Air Act activities. In allocating §105 resources, the Clean Air Act directs EPA to consider population, pollution, and financial need.

From the early 1990s through FY 2015, EPA used the same methodology for allocating CAA §105 resources among its ten regions for distribution by the regions to state and local air agencies. Between 2006 and 2010 EPA led an effort to update this allocation methodology, which was planned for use in the FY 2011 grant cycle; however, Congress directed EPA's continued use of the historical allocation through FY 2015.

EPA's FY 2016 appropriation provided the opportunity to move forward with implementation of a revised allocation and EPA employed the methodology originally planned for FY 2011 using updated data sets. The results revealed some sensitivities in the FY 2011 methodology that prompted EPA to commit to further refinements.

On November 21, 2016, EPA proposed a revised methodology and implementation approach for allocating FY 2017 CAA §105 resources among its ten regions. The proposal was made publicly available for review and comment by states, local §105 grant recipients, MJOs, and other interested parties. In May 2017, as part of the omnibus appropriation for FY2017, Congress directed the Agency to use its historical allocation methodology for distributing FY 2017 §105 resources to state and local air agencies.

### Future Refinements to the Allocation of §105 Grants

EPA remains interested in moving toward a more up-to-date allocation methodology. OAR has considered the comments received in response to the November 21, 2016 proposal and will share any proposed refinements to the allocation methodology with interested parties for review and public comment prior to making any changes.

## 3. EFFECTIVE GRANTS MANAGEMENT

Administrative and programmatic provisions for effective oversight and utilization of continuing program and project-specific grants awarded to states/locals/tribes and multi-jurisdictional entities are summarized below. The list is not exhaustive but includes the proper use of award authority, adherence to specific grant program requirements, effective post-award oversight, identification of performance measures and results, the funding of co-regulator organizations, and the promotion of competition. See: <http://www.epa.gov/ogd/EO/finalreport.pdf>.

Using Proper Authorities for Award: OAR provides guidance to its program offices and the regions via the intranet that clarifies who is eligible for grant assistance given the purpose of the funded activity, the appropriation, and the grant authority associated with the funds. OAR will update the guidance to reflect any changes associated with its annual appropriation, as needed.

Program Contacts: Timothy P. Roberts, OAR, (202) 564-6004.

Ensuring Effective Oversight of Assistance Agreements: EPA Order 5700.6.2A2, Policy on Compliance, Review and Monitoring, effective January 1, 2008, updated and streamlined the post-award

management of grants and cooperative agreements. The Order requires EPA offices to monitor a recipient's compliance with its programmatic terms and conditions, the correlation of the work plan and application content with actual grant progress, the use of equipment, and compliance with relevant statutory and regulatory requirements. The key internal controls to monitor these activities are Baseline and Advanced Monitoring. Offices are required to submit oversight plans and document their execution. For EPA personnel, the Order may be found at [http://intranet.epa.gov/ogd/policy/order/5700\\_2A2.pdf](http://intranet.epa.gov/ogd/policy/order/5700_2A2.pdf). Program Contact: Eric Geer, OAR, (202) 564-0890.

Improving Grant Workplans: States/tribes/locals seeking single media air grants or Performance Partnership grants containing air elements should submit grant work plans that show clear linkages between the recipient's efforts and the agency's Strategic Plan goals and objectives. The agency's long-term goal is for EPA and the states to achieve greater consistency in work plan formats. Accordingly, the Office of Grants and Debarment (OGD) issued Grants Policy Issuance (GPI) 11-03, "[State Grant Workplans and Progress Reports](#)." Regional Program Offices should ensure that the GPI is incorporated in workplan negotiations, and provides appropriate outreach to recipients. Program Contact: Eric Geer, OAR, (202) 564-0890.

Achieving Programmatic and Environmental Results: Achieving Programmatic and Environmental Results: Recipients have the obligation to articulate sound measures of performance and report insightful and useful results data. EPA Order 5700.7A1 – "Environmental Results under Assistance Agreements" applies to all grants, not just categorical grants to states. The Order requires EPA project officers to assure that each grant: (1) link proposed assistance agreements to the Agency's Strategic Plan; (2) ensure that outputs and outcomes are appropriately addressed in assistance agreement competitive funding announcements, work plans and performance reports; and (3) review the results from completed assistance agreement projects and report on how they advance the Agency's mission of protecting human health and the environment. For more information, see [http://intranet.epa.gov/OGD/policy/order/order\\_5700\\_7\\_a1\\_ogd\\_environmental\\_results\\_11\\_6\\_13.pdf](http://intranet.epa.gov/OGD/policy/order/order_5700_7_a1_ogd_environmental_results_11_6_13.pdf) Program Contact: Eric Geer, OAR, (202) 564-0890.

Promotion of Competition: Agency policy is to promote competition in the award of grants and cooperative agreements where practical. EPA Order 5700.5A1 presents the Agency's competition policy. The Order exempts grants for continuing environmental programs, such as those funded under §105 as well as §103 grants for PM<sub>2.5</sub> monitoring, §103 national air toxics monitoring trends network grants, federally-recognized tribes, and inter-tribal consortia under OAR's tribal grant program. EPA is not precluded from awarding grants through competition for a portion of the exempted programs if the Agency determines it is in the best interest of the public to do so. The Competition Policy may be found at [http://www.epa.gov/ogd/competition/5700\\_5\\_a\\_1\\_final\\_order\\_2\\_11\\_14.pdf](http://www.epa.gov/ogd/competition/5700_5_a_1_final_order_2_11_14.pdf). Program Contact: Timothy P. Roberts, OAR, (202) 564-6004.

Approval Process for STAG Awards to Co-Regulator Organizations: A co-regulator organization is defined by EPA as a national or regional (i.e., multi-jurisdictional) organization that represents the interests of co-regulators/co-implementers (state, tribal or local governments) in the execution of national or regional environmental programs. EPA issued a policy on December 1, 2006 that clarified that the head of the affected state agency or department (e.g., the state environmental commissioner or head of the state public health or agricultural agency) be involved in the funding process and that EPA request and obtain the prior consent of this official before taking funds off the top of a state grant allotment for direct award to a state/local co-regulator organization. On October 12, 2011, the Agency further

clarified that co-regulator organizations are exempted from competition for awards made using funds appropriated by Congress under the STAG appropriation for certain co-regulator activities that clearly support, or are extensions of, core state, local or tribal agency responsibilities. The clarification also notes that awards made to co-regulators using other than STAG funds, though not exempted from competition, could qualify for an exception from competition on a case-by-case basis, if properly justified.

Program Contacts: Eric Geer, OAR, (202) 564-0890

Sustainability: OAR encourages EPA’s regional offices to engage with State and Tribal partners in high-level discussions on opportunities for incorporating sustainability considerations in EPA-funded projects and programs, as appropriate. Results of those discussions should be documented, including referencing them in Performance Partnership Agreements, Memoranda of Agreement or other arrangements, as appropriate.

Program Contacts: Margaret Walters, OAR, (202) 564-4107.

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# Appendix C: Points of Contact for More Information

| Subject Area                                 | Contact Name     | Phone        | Email  |
|--|------------------|--------------|--|
| Office of Air Quality Planning and Standards | Jeff Whitlow     | 919-541-5523 | <a href="mailto:whitlow.jeff@epa.gov">whitlow.jeff@epa.gov</a>           |
| Office of Transportation and Air Quality     | Mike Haley       | 202-564-1708 | <a href="mailto:haley.mike@epa.gov">haley.mike@epa.gov</a>               |
| Office of Atmospheric Programs               | Pamela Bullard   | 202-343-9011 | <a href="mailto:bullard.pamela@epa.gov">bullard.pamela@epa.gov</a>       |
| Office of Radiation and Indoor Air           | Kia Logan        | 202-343-9285 | <a href="mailto:logan.kia@epa.gov">logan.kia@epa.gov</a>                 |
| Tribal Programs                              | Pat Childers     | 202-564-1083 | <a href="mailto:childers.pat@epa.gov">childers.pat@epa.gov</a>           |
| State/Local Air Grants                       | Tim Roberts      | 202-564-6004 | <a href="mailto:roberts.timothy-p@epa.gov">roberts.timothy-p@epa.gov</a> |
| General Questions                            | Margaret Walters | 202-564-4107 | <a href="mailto:walters.margaret@epa.gov">walters.margaret@epa.gov</a>   |
|  | Marc Vincent     | 202-564-0876 | <a href="mailto:vincent.marc@epa.gov">vincent.marc@epa.gov</a>           |

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