

Attachment C: External Comments and EPA Response to Comments

Comment from State, Tribe, or Other Stakeholder	Commenter	Location in Draft Addendum	Response	Action Taken in Final Addendum
Issue Area:				
<p>Overview: NACAA is pleased with the new structure of the draft overview and guidance. We commend EPA for moving to a two-year document, which will allow for greater long-range planning.</p> <p>We commend EPA for acknowledging that the guidance is merely the basis for negotiations among EPA and state and local air agencies. Since state and local air agencies have a great deal of expertise, we believe EPA should engage them as co-regulators in consistent and meaningful ways, especially early on, when the agency initiates the development of rules, guidance and other policies and processes.</p> <p>NACAA is also pleased that EPA acknowledges that there will not be sufficient resources for all activities and that priorities may vary throughout the nation. We support EPA's plan to allow regions to tailor work expectations and resource allocations to meet local circumstances, and work with air agencies to do likewise. We recommend that the guidance state that identification of priorities within a region should be done collaboratively among federal, state and local officials. Additionally, we welcome EPA's recognition that circumstances may change during the course of a year and that the agency</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>Page 3 (Overview)</i></p>	<p>Thank you for your comment.</p>	<p>Change made. Introduction.</p>

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should work with air agencies to make adjustments to address changing priorities.				
<p>National Ambient Air Quality Standards: Under HQ Activities, Regional Office Activities and State and Local Activities, NACAA recommends adding “Continue implementing the January 2014 NACAA-ECOS-EPA SIP Reform Workgroup Commitments and Best Practices for Addressing the SIP Backlog” so that, among other things, EPA will clear the existing SIP backlog (as of October 1, 2013) by no later than the end of 2017, and manage the review of all other SIPs consistent with Clean Air Act deadlines.</p>	<p>National Association of Clean Air Agencies (NACAA)</p>	<p>Page 4 (National Ambient Air Quality Standards)</p>	<p>Thank you for your comment.</p>	<p>Change made. National Ambient Air Quality Standards.</p>
<p>Allowance Trading Programs: EPA proposes to use state and local grant funds to operate the Clean Air Interstate Rule (CAIR) nitrogen oxide (NO_x) Ozone Season Trading Program. NACAA opposes this. Instead, we recommend that EPA fund the administration of the program in the same way that the Acid Rain program is administered – using funds from EPA’s own operating budget, not state and local air grants.</p>	<p>National Association of Clean Air Agencies (NACAA)</p>	<p>Page 6 (Allowance Trading Programs)</p>	<p>The Acid Rain program is authorized by the Clean Air Act Amendments of 1990 and EPA receives appropriated resources in the Environmental Programs and Management account. In contrast, regional air programs such as the CAIR seasonal NO_x trading program for controlling the interstate transport of pollution do not have their own funding source. These programs have been created by EPA to enable the affected states to comply more cost-effectively with the “good neighbor” requirements of CAA section 110(a)(2)(D)(i) than they could do on their own without the benefits of interstate allowance trading and centralized emissions tracking, quality assurance, and monitor certification systems. Accordingly, EPA has asked affected states that participate in an interstate emissions allowance trading program</p>	<p>No change.</p>

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			adminstrated by EPA to satisfy the CAA section 110(a) (2)(D)(i) requirements to share the program costs. Each year, EPA contributes FTE for program administration, monitor certification, compliance determination, and assessment whereas the participating states contribute a portion of their Sec 105 funds towards the implementation and operation of the centralized allowance trading and emissions tracking systems.	
<p>Mobile Source Programs (HQ Activities): NACAA recommends adding, “In coordination with the U.S. Department of Transportation, develop and propose, by March 2015, the next phase of GHG emission standards and fuel efficiency standards for medium- and heavy-duty vehicles, consistent with the President’s February 18, 2014 directive.”</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>Page 6 (Mobile Source Programs)</i></p>	<p>Thank you for your comment.</p>	<p>Change made. Mobile Source Programs.</p>
<p>Effective Use and Distribution of STAG Funds: NACAA is pleased that the Administration's FY 2015 budget includes an increase of \$15 million in grants to state and local air pollution control agencies under Sections 103/105 of the Clean Air Act, for a total of \$243.2 million. This recognizes the important work that state and local agencies are undertaking to provide clean and healthy air to our citizens. As part of these grants, we are very appreciative of the proposed increase of \$24.3 million for implementing the President's Climate Action Plan and related GHG activities. These are challenging initiatives that will require substantial support. However, we are greatly disappointed that these funding increases come</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>Pages 8-9 (Effective Use and Distribution of STAG Funds)</i></p>	<p>EPA recognizes that implementing 111(d) will require substantial effort on the part of states, and the proposed increased in FY 2015 will assist with early efforts.</p> <p>The budget request does not reduce the priority of existing core work, and we expect the work states do to develop 111(d) state plans will have synergies with core work. As the FY 2015 appropriations bill is passed and the Agency Operating Plan is developed, we are committed to ensuring core work is funded.</p>	<p>No change.</p>

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<p>at a significant cost. In particular, the Administration is proposing to cut over \$9 million from the "core" programs of state and local air pollution control agencies, including much-needed monitoring and emissions inventory activities. These programs are the foundation of our clean air implementation efforts. Accordingly, we recommend that the Administration's FY 2015 budget include not only the \$24.3 million increase for climate activities, but also an additional \$35 million for "core" clean air implementation programs. That is, we are asking for \$50 million above the amount appropriated in FY 2014—or \$35 million above the President's FY 2015 request. We also recommend that state and local air agencies be given the flexibility to use the additional funds for the highest priority activities in their areas, including, but not limited to, climate-related or core programs</p>				
<p>Ambient Monitoring: NACAA recommends that EPA continue to work with state and local agencies to prioritize new monitoring equipment purchases and implementation over the next several years, and ensure that expectations for new monitoring are consistent with the funding available to support that monitoring both in amount and in timing. We recommend that EPA continue to work with the NACAA/EPA Joint Monitoring Steering Committee in determining the best use of scarce resources.</p> <p>That would include identifying opportunities for</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>Page 10 (Ambient Monitoring)</i></p>	<p>EPA will continue to work with states including the Joint Monitoring Steering Committee to understand state issues and to communicate EPA's expectations. EPA will also work through multistate organizations and the Steering Committee to find ways to optimize networks and to maximize the use of limited resources.</p> <p>While EPA is committed to transitioning the PM2.5 monitoring network to section 105 authority, final congressional approval of the budget in recent years has not included that change. We encourage States to continue to plan for the eventual transition of the PM 2.5</p>	<p>No change.</p>

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<p>disinvestment of existing monitoring activities and providing realistic estimates of the associated cost savings. While EPA addresses monitoring changes and equipment replacement in the draft guidance, the truth is that divestment opportunities are limited. When recommending decreases in monitoring in the past, state and local agencies have experienced resistance from EPA and the public. Additionally, it is difficult for many state and local agencies to not only replace equipment but maintain existing equipment. EPA must allow state and local agencies flexibility in making necessary network changes. However, it is important to note that this flexibility, while necessary, is not a substitute for full federal funding.</p> <p>EPA is proposing to begin shifting funding for the PM_{2.5} monitoring network from Section 103 to Section 105 authority, which would require state and local agencies to provide matching funds. The PM_{2.5} monitoring program has traditionally been funded under Section 103 and this arrangement has worked very well. NACAA recommends that it continue and, therefore, we oppose the transition of the program to Section 105 authority. The shift would require state and local agencies to provide a 40-percent match, which not all agencies can afford in these difficult economic times. Those agencies that are unable to provide matching funds would not be able to accept the grants for these important monitoring programs. As a result, these agencies could be forced to discontinue required</p>			<p>network.</p> <p>As appropriate, EPA agrees that new and/or expanded monitoring requirements initially be funded through section 103 authority and for all requirements to be fully funded to the extent possible through the STAG appropriation.</p>	

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<p>monitoring at existing sites. Since these are nationwide monitoring efforts, NACAA believes the funding should be provided under Section 103 authority so it is accessible to all, regardless of their ability to match the grants.</p> <p>Additionally, state and local agencies will face new and/or expanded monitoring requirements to address NO₂ and air toxics. Since these are either monitoring start-ups or expansions, it is critical that they be adequately funded under Section 103 authority.</p>				
<p>DERA: NACAA was disappointed that the President’s budget request called for the elimination of funding for the Diesel Emission Reduction Act (DERA) program. This is an important program to address emissions from the large legacy fleet of diesel engines and state and local agencies will not be able to replace the reduced funding. We believe more funds should be made available for this program. That said, we appreciate that the President’s budget requests in the past did not fund DERA at the expense of the Section 103/105 grants and we strongly urge that any future funding for DERA not be in lieu of increases to state and local air grants. Additionally, since many of the DERA funds are not provided to state and local governments, we recommend that future DERA activities not be funded through the STAG account. Instead, we suggest that the grants be provided through one of EPA’s other accounts.</p>	<p><i>National Association of Clean Air Agencies (NACAA)</i></p>	<p><i>Page 10 (Diesel Emission Reduction Program)</i></p>	<p>EPA appreciates NACAA’s support for the DERA program and agrees it has played an important role in reducing emissions from large legacy fleets of diesel engines. EPA will continue to ensure remaining funds for the DERA program are used in the most effective manner possible to protect human health and the environment.</p>	<p>No change.</p>

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Issue Area: Program Guidance: Effective Use and Distribution of STAG Funds				
<p>We recommend that EPA find a way to resolve the funding inequity that it has identified in the Southeast. Southeastern agencies have dealt with a disproportionately large share of responsibilities for many years and a disproportionately small share of STAG funds. As an example, the Southeast has around 20% of the U.S. population. Several other demographics relevant to air program obligations match or exceed the population percentage. For the past few decades, there has been a significant shift of population and business/industry development to the Southeast and that trend continues. Yet, the southeastern agencies receive only a little more than 12% of the national air program STAG funds. EPA has concurred and since FY 2012 has proposed adjusting the funding formula to resolve this inequity. However, the revised formula has never been implemented due to Congressional limitations imposed on EPA's budget. We request that EPA identify a mechanism for resolving the funding inequity in FFY 2015 through implementation of the revised funding formula or by awarding from separate funds a substantial equity adjustment to the southeastern agencies.</p>	<p>Metro 4/SESARM</p>	<p>Pages 8-10 (Related to Appendix B)</p>	<p>EPA has stated its intent to move to the revised allocation in FY2015 with the dual goals of targeting STAG funds to the most pressing air quality problems while ensuring that the integrity of all state/local air program operations is maintained. To this end, EPA intends to phase in the revised allocation approach in over a multi-year period to minimize disruptions to state and local program operations. As noted, since FY2011, Congress has directed EPA to maintain the current allocation formula through report language.</p>	<p>No change.</p>