

December 23, 2016

The Honorable Gina McCarthy  
Administrator  
U.S. Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

Via Email: Clean\_Air\_Act\_105@epa.gov

**Re: *Proposed Methodology Refinements to Clean Air Act Section 105 Grant Allocation for FY 2017 and Future Years***

Dear Administrator McCarthy:

As the lead environmental protection officials in our states, we write to express our serious concerns with the U.S. Environmental Protection Agency's (EPA's) *Proposed Factors for Clean Air Act §105 Grant Allocation Methodology* announced on November 21, 2016. Section 105 grants provide significant funding to our agencies for implementing federal Clean Air Act requirements. The proposed approach would reduce federal funding for state air quality programs in the Northeast at a time when our agencies already do not receive sufficient funding to meet current program needs. As a starting point, any change in allocating Clean Air Act §105 funding must ensure that at a minimum no state suffers any loss of funding from current levels.

It is incumbent upon the federal government to recognize that resources to implement state responsibilities under the Clean Air Act have declined significantly over the past decade, while the level of effort has increased. Additional funding cuts raise the very real possibility of backsliding on the progress we have achieved, including the down-sizing of our world-class ambient air monitoring network, and may result in negative impacts on air quality and public health.

In addition, because the federal government's FY2017 budget has not been established and we remain at FY2016 levels during the continuing resolution period through April 28, 2017, it is not possible to know what future funding cuts will occur. Applying reduced funding levels later in the year is unacceptable to states that must establish full-year operating budgets to meet public health and environmental requirements. To compound this problem, the proposed allocation formula's 2.5 percent cut each year for up to 10 years on top of a reduced budget will have negative ramifications for our programs.

We are also concerned that several of EPA's proposed allocation factors are poor surrogates for their intended use and will unfairly penalize the nation's most effective air quality programs. Our states have a long and successful history of reducing air pollution. Nevertheless, we continue to experience chronic air quality problems in the Northeast – including ozone levels among the highest in the country – that affect the health and well-being of millions of our citizens. To ensure continued progress, our air quality emission control programs have increasingly

encompassed smaller local air pollution sources over time. Effectively implementing and enforcing these measures are highly resource-intensive, yet these activities are not properly captured and accounted for by surrogate metrics based simply on population, emissions, or land area. Furthermore, on-road mobile source emissions are excluded from the formula and non-road emissions have very low weighting, yet we know the majority of ozone and air toxics in our region arise from mobile source emissions. While we do not directly set tailpipe emission standards, we must pursue additional steps that go beyond current tailpipe standards in order to attain air quality standards. Discounting mobile source emissions ignores our need to undertake a range of activities, including: conducting on-board diagnostics (OBD) auditing to detect fraud; implementing idling reduction measures; conducting diesel inspection and maintenance (I/M) programs; and pursuing possible future measures, such as joining Maine and New York in instituting programs for after-market catalytic converters. Finally, EPA's proposal lacks the fundamental requirement of providing sufficient and transparent information on key factors for the states to properly gauge how the revised allocation formula will affect our air programs, both now and in future years. If EPA lacks the necessary information to better account for our states' more robust air programs, it must suspend this proposal, and focus on acquiring the appropriate databases needed to allocate funding in a manner more quantitatively tied to actual state activities to achieve and maintain clean air.

With increased state responsibilities comes the need for increased resources. We remain committed to improving the health and welfare of our citizens and our environment, and working cooperatively with EPA in achieving our shared goals. To that end, we urge you to ensure that any revised EPA allocation methodology is based on a truer accounting of the resources needed to perform our important work and does not result in decreased funding for any state.

Sincerely,



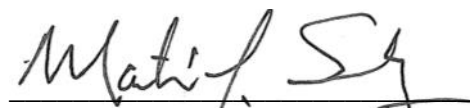
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Robert Klee, Commissioner  
Connecticut Department of Energy & Environmental Protection



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Paul Mercer, Commissioner  
Maine Department of Environmental Protection



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Martin Suuberg, Commissioner  
Massachusetts Department of Environmental Protection



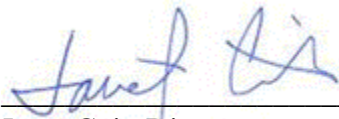
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Thomas S. Burack, Commissioner  
New Hampshire Department of Environmental Services



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Basil Seggos, Commissioner  
New York State Department of Environmental Conservation



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Janet Coit, Director  
Rhode Island Department of Environmental Management



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Alyssa B. Schuren, Commissioner  
Vermont Department of Environmental Conservation

cc: NESCAUM directors  
Janet McCabe, EPA OAR  
Curt Spalding, EPA R1  
Judith Enck, EPA R2