

**OAR'S FY 2017 ADDENDUM TO THE FY 2016-2017 NPM GUIDANCE  
SUMMARY TEMPLATE: FY 2017 EXTERNAL COMMENTS AND RESPONSE TO COMMENTS**

| Comment from State, Tribe, or Other Stakeholder  | Commenter(s)   | Location in FY 2016-2017 NPM Guidance | NPM Response   |
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| <p><b>Introduction:</b><br/>NACAA is 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 work with state and local air agencies "to adjust resources to meet changing priorities" and to work collaboratively with state and local air agencies to resolve planning issues.</p>  | <p><i>National Association of Clean Air Agencies (NACAA)</i></p> | <p><i>OAR Page 3 (Intro)</i></p>      | <p>Thank you for your comment.</p>   |
| <p>EPA is proposing to begin shifting funding for the fine particulate matter (PM<sub>2.5</sub>) monitoring network from Section 103 to Section 105 authority, which would require state and local agencies to provide matching funds. The PM<sub>2.5</sub> monitoring program has 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 proposed shift would require state and local agencies to provide a 40-percent match, which not all agencies can afford. 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 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><i>National Association of Clean Air Agencies (NACAA)</i></p> |                                       | <p>EPA appreciates the challenges posed by the match requirements. EPA believes the transition of the funding for the PM 2.5 monitoring network to section 105 authority is appropriate given the maturity of this network. Please note that while final congressional approval of the budget in recent years has precluded EPA from making the transition, we encourage States to continue to plan for the eventual transition of the PM<sub>2.5</sub> network.</p> |

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| <p><b>Effective Use and Distribution of STAG Funds:</b><br/> NACAA is pleased that the Administration’s FY 2017 budget includes an increase of \$40 million in grants to state and local air quality grants over FY 2016 levels (for a total of \$268.2 million). This request includes \$25 million specifically for climate change activities and \$15 million for other continuing state and local air quality implementation activities. It also calls for \$1.65 billion over 10 years for a “Climate Infrastructure Fund” to, among other things, retrofit, replace or repower diesel equipment, especially school buses.</p> <p>NACAA appreciates the proposed increases since state and local air quality agencies are in need of significant additional federal funding. While the President’s request is specifically intended for certain activities, NACAA recommends that state and local air agencies be given as much flexibility as possible with respect to how they spend the \$40 million increase. It is important that state and local air agencies have the ability to use the additional funds for the highest priority activities in their areas, including, but not limited to, new and expanded activities and ongoing core programs.</p> <p>We also support the proposed “Climate Infrastructure Fund,” which includes \$1.65 billion over 10 years to, among other things, retrofit, replace or repower diesel equipment, especially school buses. It is critically important that diesel emissions be reduced and this program will support important efforts to address this problem.</p> | <p><i>National Association of Clean Air Agencies (NACAA)</i></p> | <p><i>OAR App. B, Page 7-8 (Effective Use and Distribution of STAG Funds)</i></p> | <p>Thank you for your comment.</p>   |
| <p><b>DERA:</b><br/> NACAA is pleased that the President’s budget request called for \$10 million in 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. We appreciate that the President’s budget request 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>EPA appreciates NACAA’s support for the DERA program. Note that Congress, not EPA, controls how the funds are provided.</p> |

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| <p><b>Ambient Monitoring for Criteria Pollutants, Appendix B:</b><br/>The document includes the following: “Establish and begin operating Phase 3 Near-road monitoring stations that are due by January 1, 2017 in CBSAs between 500K and 1M population, if appropriate based on analysis of the data from Phase 1 and 2.” EPA’s regulatory agenda and EPA staff have stated that the agency will issue a proposed rulemaking to eliminate Phase 3. If so, the document should be updated to reflect this change.</p>   | <p><i>National Association of Clean Air Agencies (NACAA)</i></p> | <p><i>OAD App. B Page 16 (Ambient Monitoring for Criteria Pollutants)</i></p>                               | <p>EPA appreciates NACAA’s comment. OAR intends to publish a proposal in mid-2016 to remove the requirements for Phase 3 of the NO<sub>2</sub> near-road network and to finalize the rule prior to the deadline of January 1, 2017. EPA has worked with the regions on appropriate language that the states can use in their annual monitoring network plans while the rulemaking process is proceeding. It is premature to make adjustments to this activity given that the agency has not yet proposed a rulemaking.</p>   |
| <p><b>National Ambient Air Quality Standards:</b><br/>Under HQ Activities (Guidance/Rulemaking), NACAA is pleased that EPA includes, “In consultation with air agencies, develop any rulemaking(s) and additional guidance for implementing any potentially revised ozone NAAQS.” We believe such consultation is imperative and encourage EPA to commit to initiating it at the outset of the rulemaking (or guidance) development process. Further, we cannot overstate how critically important it is for EPA to provide final implementation rules and guidance for all NAAQS in a timely manner and, specifically, in a time frame that provides state and local air agencies sufficient opportunity to successfully meet their deadlines.</p> | <p><i>National Association of Clean Air Agencies (NACAA)</i></p> | <p><i>OAD Citation from last year’s draft guidance: Page 5 (National Ambient Air Quality Standards)</i></p> | <p>Thank you for your comment. OAR plans to work with regulatory partners in developing any necessary rules or guidance and to enhance the timelines of our guidance. For example, EPA will finalize the Exceptional Events Rule Revisions and issue the final guidance this summer. Also in the summer of 2016, EPA projects to finalize the SIP requirements rule that would apply to current and future PM<sub>2.5</sub> nonattainment areas. Our NPM Guidance commits to promulgating an implementation rule no later than 2 years after a NAAQS is revised.</p> |
| <p><b>Mobile Source Programs:</b><br/>Under HQ Activities, NACAA recommends adding the following activity: “Begin immediately to develop a new rulemaking to achieve very substantial additional reduction in oxides of nitrogen from heavy-duty vehicles and engines.”</p>   | <p><i>National Association of Clean Air Agencies (NACAA)</i></p> | <p><i>OAD Citation from last year’s guidance: Page 20 (Program Guidance: Mobile Source Programs)</i></p>    | <p>EPA is considering additional opportunities for pollutant reductions to support the accomplishment of NAAQS. Given the exceptions-based format of the FY 2017 Addendum, not all activities that may occur in FY 2017 are mentioned.</p>   |

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| <p><b>Mobile Source Programs:</b><br/>Under HQ Activities, NACAA recommends adding the following to activity #7: “Work with international organizations to develop GHG and criteria pollutant control programs for ocean-going vessels and aviation, <u>and, as necessary, develop and promulgate more rigorous U.S. programs.</u>” (additional language underlined).</p>   | <p><i>National Association of Clean Air Agencies (NACAA)</i></p>                              | <p><i>OAR Citation from last year’s guidance: Page 20 (Program Guidance: Mobile Source Programs)</i></p>                            | <p>EPA continues to look at opportunities for further reductions in the transportation sector such as aircraft and other nonroad sources. Given the exceptions-based format of the FY 2017 Addendum, not all activities that may occur in FY 2017 are mentioned.</p>   |
| <p>It came as some surprise that the shift in air quality related data over the last 5 years has resulted in totally different funding outcomes in some EPA regions. While many of the factors that are part of the revised allocation formula can be expected to change over time, it is imperative that EPA find a way to stabilize the base level of funding for each state, local, and tribal agency.</p> <p>It is somewhat difficult to comment in depth about the EPA 2010 revised methodology as applied to the FY 2016 105 Grant funds allocation without knowing more of the specific information that was used by EPA in the process. EPA has provided general information about the use of the revised funding approach and has cited several resources from which input data was obtained. However, the detailed data are needed to be able to evaluate the effect of the various factors that make up this formula approach.</p> | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> <p>The data for the FY 2016 Section 105 grant allocation have been posted to the following address:<br/><a href="https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_data.xlsx">https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_data.xlsx</a></p> |

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| <p>Did EPA actually limit the SIP planning and implementation for non-attainment areas to ozone and PM2.5, and if so why? The factor is constructed to allow for the evaluation of other NAAQS (e.g. SO2, NO2, Pb, PM10) areas as appropriate. It certainly appears that EPA should have addressed these other NAAQS.</p> | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>All NAAQS were considered in the allocation factor that counts the “Number of non-attainment areas.” SIP Planning and Implementation also considers the number of states in a region.</p> <p>The two factors limited to ozone and PM2.5 were: “Population-weighted design value in non-attainment areas (for PM 2.5 and ozone)” and “Population-weighted design-value in areas within 90% of the NAAQS (for PM 2.5 and ozone).” The 2010 revised allocation methodology limits these factors to PM2.5 and ozone.</p> <p>EPA recognizes that workload and priorities in state and local air programs have changed since 2010 and there may be additional pollutants and program areas to consider in the future. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |

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| <p>How did the Office of Air and Radiation (OAR) define the way that population-weighted design values would be calculated?</p>   | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Consistent with the 2010 revised allocation methodology, population-weighted design values in non-attainment areas (for PM 2.5 and ozone) are calculated by multiplying the highest monitored design value within a nonattainment area by the population within the non-attainment area.</p> <p>Population-weighted design-values in areas within 90% of the NAAQS (for PM 2.5 and ozone) are calculated by multiplying the design value of monitored counties that are within 90% of the NAAQS by the population of those monitored counties. These calculations are done for those counties that are not in an area already designated as non-attainment for a specific pollutant.</p> |
| <p>Does EPA clarify how areas that are non-attainment for more than one NAAQS are to be evaluated? Is OAR still tabulating each non-attainment area with a unit value of 1?</p> | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Each non-attainment area for a specific NAAQS receives a unit value of one. The only exception is for the PM2.5 annual and 24-hour standards. Areas that are in non-attainment for both the annual and 24-hour PM2.5 standards are also only counted as one.</p>   |

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| <p>Why did OAR limit the “population- weighted design-value in areas within 90% of the NAAQS” to ozone and PM2.5? This appears to be the case.</p>   | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>The 2010 revised allocation methodology only considers ozone and PM 2.5 for these factors because they were the primary pollutants driving workload at that time.</p> <p>EPA recognizes that workload and priorities in state and local air programs have changed since 2010 and there may be additional pollutants and program areas to consider in the future.</p> <p>EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |
| <p>The formula should not be super-sensitive to single metrics that do not represent true major shifts in agency obligations. For example, all states in a region should not receive a funding cut simply because one area with a large population has attained the ozone NAAQS.</p> | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p>   |

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| <p>What does EPA plan to do about funding implementation of the Clean Power Plans (CPP) if upheld by the court system? States have already put a significant amount of effort into the CPP process and funds need to be made available if the plans are to be developed.</p>   | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>The 2010 revised allocation methodology did not contemplate state CPP work.</p> <p>EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p>                         |
| <p>Can EPA share the cancer and non-cancer risk data that established these factors for the air toxics category?</p>   | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. The data used for the FY 2016 Section 105 grant allocation have been posted to the following address: <a href="https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx">https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx</a></p>  |
| <p>EPA discusses the use of population-weighted averages for some of these factors, but has EPA actually evaluated the population growth in the various regions? The southeast has around 20% of the nation's population, and is a region with increasing industrial and population growth, but southeastern agencies receive only a little more than 12% of the national air program STAG funds</p> | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>The 2010 revised allocation methodology does not include population growth as a stand-alone factor.</p> <p>EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |



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| <p>Infrastructure SIPs, 110 (l) SIPs, Regional Haze SIPs, Attainment Demonstrations, Maintenance SIPs, Asbestos programs and Transportation Conformity all must be given a higher level of consideration in the weighting scheme by OAR for ongoing air quality work. We strongly advocate for a process that is more reflective of the real- world agency workload expectations both during non-attainment and maintenance /attainment designations.</p>  | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. EPA recognizes that workload and priorities within state and local air programs have changed since 2010 and there may be additional pollutants and program areas to consider in the future.</p> <p>EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p>   |
| <p>For the FY 2016 105 Grant allocation, EPA stated that it updated the data underlying the factors to reflect current information to the maximum extent possible. Again, it is stated that this updated data is needed to make informed comments about this allocation. While we understand EPA utilized updated data if available, when updated data was not available, EPA used old data. The use of some updated data, but some old data may have an artificial impact on certain regions depending on what has been happening in the regions. This result potentially has negative impacts on regions when their workload has not been lessened at all. It is critical to understand whether this occurred and to make corrections in the formula to assure that regions are receiving funding relative to their workloads.</p> | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. The data used for the FY 2016 Section 105 grant allocation have been posted to the following address: <a href="https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx">https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx</a></p> <p>EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |

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| <p>Southeastern air agencies have lived with a disproportionate share of responsibilities for over 15 years to go along with a disproportionately small share of the STAG funds. There are other demographics other than population that are relevant to southeastern air agencies as well. EPA should consider an equity adjustment for Region 4 regardless of what funding formula is in place.</p> | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. EPA understands the significant workload and responsibilities that all state and local air agencies have to deliver clean air and public health benefits.</p> <p>EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p>                                   |
| <p>In summary, any funding formula needs to be much more reflective of actual workload, needs to be comprehensive by considering all major workload-creating obligations on air agencies, and the structure of any formula must be evaluated to determine how sensitive it will be to changing inputs and what the resultant impacts will be on the regional allocations.</p>                         | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. EPA recognizes that workload and priorities within state and local air programs have changed since 2010 and there may be additional pollutants and program areas to consider in the future.</p> <p>EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |

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| <p>We would appreciate your consideration of these comments when work to develop a more equitable funding formula is undertaken by EPA. We hope that EPA will allow the states to be part of the revision process as it unfolds. The southeastern states request a meeting with EPA to gain a better understanding of the best available updated data that EPA used with the 2010 revised methodology to reach the conclusions for the FY 2016 105 Grant allocations.</p> | <p><i>Michelle W. Owenby, Director, Tennessee Division of Air Pollution Control, TDEC</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages states and local air agencies, associations, and other interested parties.</p> <p>The data for the FY 2016 Section 105 grant allocation have been posted to the following address:<br/> <a href="https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx">https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx</a></p> <p>EPA would be happy to work with the Southeastern states to schedule a meeting as requested.</p> |
| <p><b>Overall Comment:</b> EPA should provide the information utilized as inputs to the formula to insure transparency and allow for States to ensure accuracy.</p>   | <p><i>Alabama Department of Environmental Management</i></p>                                  | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. The data for the FY 2016 Section 105 grant allocation have been posted to the following address:<br/> <a href="https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx">https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx</a></p>  |

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| <p>EPA should include Environmental Justice as a factor in dispensing funding. Given the levels of minority and poor populations in the Southeast, failure to do so would cause prohibited disparate impact.</p>  | <p><i>Alabama Department of Environmental Management</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p>   |
| <p>No opportunity was provided to comment on the FY2016 multipurpose grants, where approximately \$13 million will be made available to support core air regulatory work. Funding included a base amount, an amount based on each state's number of CAA major source permits and an amount based on each state's share of total EPA categorical grants. Due to Title V fee programs, the number of Title V sources should be irrelevant in determining a state's funding amount.</p>  | <p><i>Alabama Department of Environmental Management</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. The FY 2016 multipurpose grants to states and tribes guidance is outside of the scope of OAR's FY 2017 NPM Guidance.</p>  |
| <p><b>SIP Planning and Implementation:</b> Exactly how is population weight implemented? While increased population may increase some complexity of nonattainment planning, the significant amount of work required for nonattainment planning is independent of population.</p> <p>Do maintenance areas receive any weight in this calculation?</p> <p>Given EPA's demands on States through Regional Haze, CSAPR, Interstate Transport, SO2 Data Requirements Rule, etc., do States without listed nonattainment areas or maintenance areas receive any credit for the work that is required of them?</p> | <p><i>Alabama Department of Environmental Management</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Under the 2010 revised allocation methodology, population-weighted design values in nonattainment areas (for PM 2.5 and ozone) are calculated by multiplying the highest monitored design value within a non-attainment area by the population within the non-attainment area.</p> <p>Population-weighted design-values in areas within 90% of the NAAQS (for PM 2.5 and ozone) are calculated by multiplying the design value of monitored counties that are within 90% of the NAAQS by the population of those monitored counties. These calculations are only done for those counties that are not in an area already designated as non-attainment for a specific pollutant.</p> |

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|   |              |                                       | <p>Each non-attainment area for a specific NAAQS receives a unit value of one. The only exception is for the PM2.5 annual and 24-hour standards. Areas that are in non-attainment for both the annual and 24-hour PM2.5 standards are only counted as 1. Counties of maintenance areas are counted if they have design values that are within 90% of the NAAQS.</p> <p>EPA recognizes that workload and priorities within state and local air programs have changed since 2010 and there may be additional pollutants and program areas to consider in the future.</p> <p>EPA also acknowledges that states with no (or few) non-attainment or maintenance areas still have a significant need for resources to implement air quality programs and moving forward the formula should account for that. However, there currently are a number of the factors that are not dependent on a state having non-attainment or maintenance areas.</p> <p>EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |

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| <p><b>Monitoring:</b> Define “adequate monitoring”. Given the historical disproportional distribution of funding in the past, many states that have received more than their fair share of funding may have increased monitoring efforts while States that have received insufficient funding have been required to reduce monitoring to minimal levels. Providing additional funding to States so that they may maintain expanded programs at the expense of underfunded States is unfair to the underfunded States.</p> | <p><i>Alabama Department of Environmental Management</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Under the 2010 revised allocation methodology, an adequate monitoring network is one that is appropriately sized to meet the objectives identified in the Agency’s monitoring regulations or its ambient air monitoring strategy for non-regulatory measurements. For the FY 2016 allocation, the current distribution of monitors and monitoring costs negotiated between Regions and states served as the basis for this factor.</p> <p>EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |

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| <p><b>Air Toxics:</b> Given the consistency of the NATA studies due to the almost exclusive use of “National Emission Factors”, this appears to be primarily a population based distribution. Again, population may increase some expenses, but the core requirements are simply not population dependent.</p> | <p><i>Alabama Department of Environmental Management</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. Currently, NATA is the best available tool to identify and prioritize air toxics, emission source types, and locations that are of greatest potential concern in terms of contributing to population risk. And, while NATA does consider population in developing some emissions of smaller and mobile sources, risks are largely also driven by other factors including the toxicity of the mixture of air toxics present in the air. EPA utilizes NATA (as a tool to estimate cancer and noncancer risk from air toxics) to direct funding to areas with higher risk from air toxics. NATA uses emission data submitted largely by states as a basis of estimating risk.</p> <p>EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |

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| <p><b>Compliance:</b> EPA needs to provide actual data utilized in this metric. States need an opportunity to review this information to ensure that EPA is giving sufficient credit for the real efforts of the States.</p> <p>How is EPA counting the number of regulated minor sources and area sources? Where is EPA obtaining this information?</p> | <p><i>Alabama Department of Environmental Management</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. The data used for the FY 2016 Section 105 grant allocation have been posted to the following address: <a href="https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx">https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx</a></p> <p>For the 2010 revised allocation, EPA used data from its Air Facility System to account for regulated minor sources and from information derived from rule-making actions for areas sources. For the FY 2016 allocation, there were not more current comparable datasets that aligned with the datasets used for the 2010 revised allocation. Therefore, for the FY 2016 allocation, EPA used the datasets used for the 2010 revised allocation which account for approximately 11% of the overall allocation formula.</p> <p>EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |



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| Given Idaho, much like other states, is well into the FFY2016 budget, Idaho appreciates not being negatively impacted by this new allocation formula for FY2016. | Idaho DEQ    | <i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i> | Thank you for your comment.   |
| Idaho encourages, as stated, that States are involved early on in the process for allocating FY2017 funding.   | Idaho DEQ    | <i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i> | Thank you for your comment. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.   |
| Idaho requests EPA enter the data proposed under this allocation formula so we are better equipped to evaluate its implications.                                 | Idaho DEQ    | <i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i> | Thank you for your comment. The data for the FY 2016 Section 105 grant allocation have been posted to the following address:<br><a href="https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx">https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx</a>                                   |
| Idaho recommends EPA incorporate the most current data available into the allocation methodology.  | Idaho DEQ    | <i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i> | Thank you for your comment. EPA sought to use the most current data available for the FY 2016 allocation to the greatest extent possible. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties. |

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| <p>Idaho urges EPA to consider a change to the approach to include a core level of funding prior to using the new allocation formula. State air quality programs must continue to meet state and CAA requirements/obligations despite population and demographic changes.</p>   | <p>Idaho DEQ</p>                                | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p>   |
| <p><b><u>General Comment: Lack of Transparency</u></b><br/> EPA fails to provide the data used to calculate the allocations of the 105 grant funding to be distributed to the individual Regions. The draft CAA 105 Grant Allocation for OAR FY 2017 NPM Guidance indicates that the FFY16 allocations use the same eleven factors, weights, and percentages previously used, stating that EPA “updated the data underlying the factors to reflect current information to the maximum extent possible.” However, EPA has not provided data for states to review or verify. Therefore, the states cannot determine that the calculations are correct, equitable or that the most current data available was, in fact, used.</p> <p>On April 8, 2016, the Commonwealth of Kentucky’s Energy and Environment Cabinet requested this information through a Freedom of Information Act request, further requesting an expedited response due to the comment deadline. EPA responded that the FOIA request could not be processed and completed prior to the April 20, 2016 deadline for comment. This information should have been provided with the draft addendum when it was published.</p> | <p><i>Kentucky Division for Air Quality</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. The data used for the FY 2016 Section 105 grant allocation have been posted to the following address: <a href="https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx">https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx</a></p> |

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| <p><b><u>SIP Planning and Implementation</u></b><br/> EPA selected PM<sub>2.5</sub> and Ozone as the pollutants for evaluating population-weighted design value in non-attainment areas for the FY2016 allocations. Based on 2012-2014 Design Value data available in the “EPA Green Book,” there are nine areas which are not meeting the 2012 PM<sub>2.5</sub> NAAQS. EPA notes that for this element the factor is population-weighted. However, of the nine areas, four are in California. The population for the California areas is more than five times the other areas combined. This approach is not equitable to air pollution control agencies’ workloads for SIP Planning and Implementation.</p> <p>For many states, such as Kentucky, the majority of the SIP Planning and Implementation for FY2016 has been for the 2010 SO<sub>2</sub> NAAQS. Due to the non-traditional approach that EPA has applied in designating areas for the 2010 SO<sub>2</sub> NAAQS, the resources and manpower necessary to address the 2010 SO<sub>2</sub> NAAQS implementation is significant and is more demanding than SIP planning work for PM<sub>2.5</sub> and Ozone. By not including SO<sub>2</sub> and other criteria pollutants in the allocation formula for the FY2016 funds, EPA negatively impacts the ability of the Division to properly address infrastructure SIPs, designation recommendations, the Regional Haze SIP, SSM SIP Call, as well as redesignation and attainment demonstration SIPs for all NAAQS.</p> <p>The formula needs reflect the actual SIP workload for states.</p> | <p><i>Kentucky Division for Air Quality</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>EPA recognizes that workload and priorities within state and local air programs have changed since 2010 and there may be additional pollutants and program areas to consider in the future. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |
| <p><b><u>Air Toxics</u></b><br/> <b>Use of outdated data</b></p> <p>EPA proposes to use the 2011 NATA data for three of the elements related to Air Toxics. While Kentucky acknowledges that the process for collecting and evaluating NATA data generally lags behind by several years, this air toxics information is five years old and no longer representative of the work done by the Division or any agency. EPA must determine a better method for assessing the Air Toxics work and needs for states.</p>  | <p><i>Kentucky Division for Air Quality</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>EPA recognizes that workload and priorities within state and local air programs have changed since 2010 and there may be additional pollutants and program areas to consider in the future. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |

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| <p><b>Compliance</b><br/><b>Use of outdated data</b></p> <p>Additionally, the three factors used by EPA to determine Compliance are also severely outdated. EPA certainly has a more recent analysis of minor sources than 2009 and the number of MACT area sources “as of 2008.” Also, EPA does not define what a true “minor source” is. Individual states have subtle differences in the way they address “minor sources,” some of which are accounted for with EPA and others that may not be accounted for with EPA, and thus not providing a higher score for that element.</p> | <p><i>Kentucky Division for Air Quality</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. The data for the FY 2016 Section 105 grant allocation have been posted to the following address:<br/> <a href="https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx">https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx</a></p> <p>For the 2010 revised allocation, EPA used data from its Air Facility System to account for regulated minor sources and from information derived from rule-making actions for areas sources. For the FY 2016 allocation, there were not more current comparable datasets that aligned with the datasets used for the 2010 revised allocation. Therefore, for the FY 2016 allocation, EPA used the datasets used for the 2010 revised allocation which account for approximately 11% of the overall allocation formula.</p> <p>EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |

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| <p>We respectfully request EPA consider revising the proposed allocation methodology for the Clean Air Act Section 105 grants. As we understand the proposal, the methodology considers 11 factors within four primary categories, with SIP Planning and Implementation carrying the greatest weight followed in succession by Monitoring, Air Toxics and Compliance. As drafted, we see our local program and fellow agencies within Region 4 at a disadvantage in the allocation draft and feel greater consideration should be given to the following factors for inclusion in the allocation methodology.</p>   | <p><i>Environmental Protection Commission of Hillsborough County, Florida</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p>   |
| <p>The methodology should be more reflective of the comprehensive workloads air pollution control agencies face. Little consideration is given to areas that have nonattainment areas beyond PM and ozone. In Hillsborough County there are respective SO2 and Lead nonattainment areas, with the latter being one of a few in the entire southeast region, yet the current methodology only considers a weighting factor of ten percent of the thirty-eight percent category weight for SIP Planning. On a workload attention basis, we place much emphasis on these nonattainment areas through compliance, permitting and monitoring yet using the current allocation methodology the funding will be less compensatory.</p> | <p><i>Environmental Protection Commission of Hillsborough County, Florida</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>EPA recognizes that workload and priorities within state and local air programs have changed since 2010 and there may be additional pollutants and program areas to consider in the future. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |
| <p>Many air pollution control areas such as ours have robust asbestos regulatory programs, address environmental justice concerns, develop community-specific initiatives, promote sustainability initiatives, and have upward trending populations that tax our resources. The above activities are all Section 105 funded which makes the dependency on an equitable funding scheme even more vital. The proposed allocation methodology currently does not give funding consideration for these activities therefore we expect there would be a decline in 105 activities across the region.</p>   | <p><i>Environmental Protection Commission of Hillsborough County, Florida</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p>   |

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| <p>Should the Clean Power Plan be upheld by the courts, a greater regulatory focus will be placed on large carbon emitters thus requiring air management agencies to either drop some responsibilities or seek to develop funding strategies for future obligations. It is our position that the allocation methodology should be more flexible to incorporate unanticipated changes within the regulatory scheme. This could be done by evaluating the allocation methodology on a biennial basis.</p>   | <p><i>Environmental Protection Commission of Hillsborough County, Florida</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>The 2010 revised allocation methodology did not contemplate state CPP work. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p>   |
| <p>The revised 105 grant funding formula, which is based on methodology developed in 2010, does not reflect the current state workload requirements. The proposed funding formula fails to take into account critical air quality planning requirements including: attainment demonstrations; maintenance plans; infrastructure SIP development; and NAAQS requirements in addition to ozone (e.g., SO<sub>2</sub> data requirements rule). Programs for addressing environmental justice issues including monitoring, air toxics, community initiatives and interactions and associated workloads are also not accounted for in the funding formula.</p> | <p><i>Georgia Environmental Protection Division</i></p>                           | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. EPA recognizes that workload and priorities within state and local air programs have changed since 2010 and there may be additional pollutants and program areas to consider in the future. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |
| <p>EPA provides no information on the methodology used to assess the "Adequate monitoring" factor, the most heavily weighted part of the formula.</p>   | <p><i>Georgia Environmental Protection Division</i></p>                           | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Under the 2010 revised allocation methodology, an adequate monitoring network is one that is appropriately sized to meet the objectives identified in the Agency's monitoring regulations or its ambient air monitoring strategy for non-regulatory measurements. For the FY 2016 allocation, the current distribution of monitors and monitoring costs negotiated between EPA regions and states served as the basis for this factor.</p>                |

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| <p>The revised 105 grant funding formula uses out-of-date information for number of regulated minor sources (2009 data) and number of MACT area sources (2008 data). More up-to-date information is readily available on ICIS-AIR.</p> | <p><i>Georgia Environmental Protection Division</i></p> | <p><i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i></p> | <p>Thank you for your comment. The data used for the FY 2016 Section 105 grant allocation have been posted to the following address: <a href="https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx">https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx</a></p> <p>For the 2010 revised allocation, EPA used data from its Air Facility System to account for regulated minor sources and from information derived from rule-making actions for areas sources. For the FY 2016 allocation, there were not more current comparable datasets that aligned with the datasets used for the 2010 revised allocation. Therefore, for the FY 2016 allocation, EPA used the datasets used for the 2010 revised allocation which account for approximately 11% of the overall allocation formula.</p> <p>EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties.</p> |

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|--|--|--|---|
| GaEPD encourages EPA to work with the states to develop a new 105 grant funding formula that is more reflective of current and near-future workload. The funding formula should be re-evaluated frequently to ensure that it incorporates changes in air quality workloads | <i>Georgia Environmental Protection Division</i> | <i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i> | EPA recognizes that workload and priorities within state and local air programs have changed since 2010 and there may be additional pollutants and program areas to consider in the future. EPA will consider your comments as we explore refinements to the Section 105 grant allocation for FY 2017 and beyond through a process that engages state and local air agencies, associations, and other interested parties. |
| EPA should improve transparency in the 105 grant allocation process by releasing the assumptions and calculations used to develop the allocation factors as well as the formula used to derive allocation percentages.   | <i>Georgia Environmental Protection Division</i> | <i>Appendix B- Effective Use and Distribution of STAG Funds Page 8-9 Categorization and Allocation of Section 105 Grants</i> | Thank you for your comment. The data used for the FY 2016 Section 105 grant allocation have been posted to the following address: <a href="https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx">https://www.epa.gov/sites/production/files/2016-05/fy2016_105_grant_allocation_dataset.xlsx</a>   |