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Climate Change Other CAPF [Clean Air Partnership Fund]

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October 2, 2000

The Honorable James T. Walsh
Chairman
VA, HUD, and Independent Agencies
Appropriations Subcommittee
H-143 Capitol Building
Washington, D.C. 20515-6022

The Honorable Alan B. Mollohan
Ranking Member
VA, HUD, and Independent Agencies
Appropriations Subcommittee
1016 Longworth House Office Building
Washington, D.C. 20515-6015

The Honorable Christopher Bond
Chairman
VA, HUD, and Independent Agencies
Appropriations Subcommittee
SD-130 Dirksen Senate Office Building
Washington, D.C. 20510-6032

The Honorable Barbara A. Mikulski
Ranking Member
VA, HUD, and Independent Agencies
Appropriations Subcommittee
SD-130
Dirksen Senate Office Building
Washington, D.C. 20510-6032

Re: Clean Air Partnership Fund

Dear Chairmen and Ranking Members:

We wrote to you earlier in the year to express our strong support for the Clean Air Partnership Fund proposed at a $85 million level for FY'2001. While funds have not been provided in either the House or Senate bills, we wanted to reiterate our strong support for this effort and to bring new information to your attention.

The National Association of Regulatory Utility Commissioners (NARUC), the Environmental Council of the States (ECOS)(representing the state environmental commissioners), the National Association of State Energy Officials (NASEO) and the State and Territorial Air Pollution Program Administrators/Association of Local Air Pollution Control Officials (STAPPA/ALAPCO), recently held an historic meeting in St. Louis (September 24-27). This meeting was held to discuss integration of energy and environmental policies, programs and regulations, in order to permit more sensible policies to be developed at the state and regional levels. The meeting was an enormous success and is an early step in the process of developing model programs in each state. As you know, this effort was strongly supported by language included in the House VA, HUD report. We wanted to thank you for your kind words and indicate that we are marching forward.

These are highly complex issues, which require integrated approaches. One-half of the states have moved forward on electric industry restructuring, which raises a number of environmental issues. As the states are wrestling with environmental rules while trying to promote rational energy policies this cooperation between the relevant state agencies is critical. This also necessitates cooperation between EPA, DOE and the Federal Energy Regulatory Commission at the federal level.

In this context, the Clean Air Partnership Fund provides an historic opportunity to provide a "carrot" to develop innovative programs that states and local governments can establish to move forward without getting involved in partisan issues. This program represents good public policy. We urge the conferees in working with the Administration to find the resources to fund this $85 million program. It will permit us to do our jobs more effectively and it will engender a more cooperative working atmosphere as we address these difficult problems.

Sincerely,

Robbie Roberts
Executive Director
ECOS

Bob Rowe
President
NARUC

William Keese
Chairman, NASEO

William S. Becker
Executive Director
STAPPA/ALAPCO

cc: Wesley Warren
Associate Director for
Natural Resources, Energy and Science
Office of Management and Budget

capfupd.ltr

# U.S. Environmental Protection Agency
# The Clean Air Partnership Fund

## Questions and Answers

President Clinton's FY2000 budget proposes a new $200 million Clean Air Partnership Fund. The Fund will provide an opportunity for cities, states and tribes to partner with the private sector, the federal government and each other to provide healthy clean air to local citizens. The Fund will demonstrate smart multi-pollutant strategies that reduce air toxics, soot, smog, and greenhouse gases to protect our climate and our health.

**Q: Why is the Clean Air Partnership Fund unique?**

A: Currently, businesses and municipalities often invest in short-term, single-pollutant control approaches. The Partnership will encourage many industries, such as electric utilities and the transportation sector, to pursue comprehensive criteria pollutant reductions while improving energy and operational efficiencies, thereby also reducing air toxics and greenhouse gas emissions. Unique public-private partnerships could also result.

**Q: What air quality challenges are localities and states facing over the next 10 years?**

A: Localities and states must develop plans to meet new health-based federal air pollution standards for ozone and particulate matter (e.g. smog and soot). Some localities must form state plans to reduce emissions of $NO_x$ to prevent the transportation of ozone from one region to another. In addition, electric utility restructuring and visibility-degrading regional haze must be addressed by air quality planners.

**Q: What types of projects will be financed by the Clean Air Partnership Fund?**

A: The Clean Air Partnership Fund will support projects that: (1) control multiple air pollution problems simultaneously; (2) demonstrate an ability to leverage the original Federal funds; (3) facilitate meaningful public involvement; and (4) provide innovative approaches to air pollution control that could be replicated in other cities and states. For example:

- Partnership Funds could help provide start-up capital for municipalities to establish programs to convert existing diesel fleets of school and transport buses to cleaner fuels.
- Partnership Funds could help establish home energy efficiency investment loan

funds. Reducing energy use in homes will reduce local soot, smog and air toxics and greenhouse gas emissions.

- Partnership Funds could be used to create incentives for cleaner electricity generation at utilities. Increased use of combined heat and power and natural gas combined-cycle electricity generation will yield criteria, air toxic and greenhouse gas emission reductions.

- Partnership Funds could support local revolving loan funds to finance energy efficient retrofits for local and state agency buildings, public schools, hospitals and private industry. The cost savings realized from lower energy bills would allow borrowers to repay the loans and provide an ongoing source of funding for future innovative investments.

- Partnership Funds could support tax credits for innovative air pollution control technology investments.

- Partnership Funds could be used to stimulate demand for renewable sources of energy. Renewable energy sources such as fuel cells, photovoltaics, wind and geothermal provide ideal integrated air pollution control technologies.

**Q: Who is eligible for funds under the Clean Air Partnership Fund?**

A: Entities eligible for grants through the Partnership Fund include local and state governments, tribes and multi-state organizations.

Special consideration will be given to locally based governmental projects that leverage resources in order to obtain early multi-pollutant benefits through innovative means.

**Q: How will USEPA implement the program and select projects?**

A: USEPA will solicit ideas from all stakeholders for potential multi-pollutant projects and suggestions for program design. Shortly after Congressional approval of the budget, USEPA will prepare and release guidelines for proposals and the criteria for project selection.

**Q: How will the funding mechanism work?**

A: Grants will be made to cities, states and tribes. These organizations could receive funds to carry out projects themselves or to set up programs which might fund other projects. It is expected that the Fund will support the development of local revolving funds, low-interest loan programs, matching funds, public-private partnerships, and other capitalization mechanisms.

**Q: What opportunities exist for harmonizing strategies to address multiple air pollution problems?**

A: Many opportunities exist because air pollution sources usually contribute to more than one air pollution problem at a time. For example, reducing air pollution from the transportation sector by using cleaner fuels will help improve smog conditions, reduce particulate pollution, reduce hazardous air toxics as well as reduce greenhouse gas emissions. The same multiple pollutant reduction opportunities can be found in most sectors of our economy.

# The Clean Air Partnership Fund
# Examples of Potential Partnership Projects

President Clinton's FY2000 budget proposes a new $200 million **Clean Air Partnership Fund.** The Fund will provide an opportunity for cities, states and tribes to partner with the private sector, the federal government and each other to provide healthy clean air to local citizens. The Fund will demonstrate smart multi-pollutant strategies that reduce air toxics, soot, smog, and greenhouse gases to protect our climate and our health.

The **Clean Air Partnership Fund** will provide critical start-up capital for innovative financing of local energy efficiency and air pollution reduction projects. Projects such as the following will be encouraged by using the fund as an initial source of capital and as a magnet for creative partnership proposals.

**Municipal Energy Efficiency Investments**

- The City of Phoenix, Arizona, with a population of 972,000, established a revolving fund to encourage energy efficiency in municipal buildings. It started the Energy Conservation Savings Reinvestment Plan in 1984 with $50,000 seed money from state oil overcharge funds. Each year, Phoenix reinvested half of all documented energy savings in the Plan. By 1986, annual energy savings were over $1 million, capping off the Plan at its maximum allowable limit of $500,000 a year[1]. The Plan has financed retrofits which resulted in $18 million of audited savings from 1978 to 1992. Accrued projected savings from 1978 to 2002 are expected to total $42.6 million.

- In 1983, the School District of Philadelphia, embarked on an incentive based energy conservation program which has resulted in a 10 year savings of $45 million. Faced with budget constraints, district personnel looked at the then $33 million energy budget as a potential resource[2].

  With the cooperation of all departments, program guidelines were established that provided a financial incentive to any school that could show a savings on its annual - averaged over past three years - energy bills. The savings were divided with 40% going back to the school, 40% to the district and 20% earmarked for investment by the district in energy saving projects. By the end of the first year, district wide savings were $3 million, with two thirds of schools showing savings. Twenty-five percent of the rebates to schools are to be spent on benefiting school maintenance staff, to reward their

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1 International Council for Local Environmental Initiatives (ICLEI), 1998.
2 ICLEI, 1998.

contribution and ensure their cooperation.

### Energy Service Contracts

- An energy service company, CES/Way International, carried out a turnkey performance contract to retrofit seven municipal buildings in Jefferson County, Kentucky, U.S.A. The $2.5 million project included boiler, air infiltration, HVAC control and lighting retrofits, monitoring, and training of building operators. CES/WAY International also arranged funding and guaranteed the energy savings would be sufficient to repay the debt. After the debt payment, the ESCO split the remaining energy savings with the County in a standard "shared savings" arrangement. Annual energy savings were $530,000 in 1992, about 20 percent of the investment[3].

### Lease Purchase Agreements

- The City of Buffalo, New York recently used tax exempt municipal lease purchase financing, provided by Oppenheimer & Co., Inc., to retrofit 55 City facilities. Total project cost was approximately $3.5 million, $1.2 million of which was available as incentives from the local electric utility Niagara Mohawk. Total 15 year benefits to Buffalo will be in excess of $6,100,000. Energy saving measures implemented included energy efficient lighting, high efficiency motors, HVAC upgrades, programmable building controls and controllers on ice rink brine pumps[4].

### State Bond Sales

- The sale of over $12 million in "energy conservation bonds" is financing the retrofit of office buildings, hospitals, and schools owned by state agencies in Iowa. The State of Iowa Facilities Improvement Corporation (SIFIC) uses the bond proceeds to pay for the installation of energy efficient equipment. The bond proceeds support a wide range of energy management improvements. Energy improvements installed to date in state-owned facilities total $19 million, and are saving the State $3.4 million a year[5].

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[3]ICLEI
[4]ICLEI
[5]ICLEI

**State Revolving Loan Program**

- The Texas LoanSTAR program is Texas' own program designed to "Save Taxes And Resources" by monitoring energy use and recommending energy-saving retrofits. In 1988, the Texas Governor's Energy Office (now known as the State Energy Conservation Office) received approval from the U. S. Department of Energy to establish a statewide retrofit demonstration program. The initial capital came from oil overcharge funds. The LoanSTAR program is designed to demonstrate commercially available, energy efficient, retrofit technologies and techniques .LoanSTAR has already generated $62 million in savings (as of August1998) for Texas taxpayers, and the program is projected to save another $250 million over the next 20 years.

  State agencies, such as schools and public buildings, may apply for loans to make recommended retrofits. Participants must repay the loans in four years or less based on estimated energy savings. In most cases repayment is made from savings generated by the cost-effective retrofit measures. Once the loans are repaid, the savings are available for the agencies.

  Savings-generating retrofits to buildings include installing variable speed pumps and variable air volume systems, upgrading heating and air conditioning systems, and installing high efficiency chillers, energy management control systems, high efficiency lighting systems and thermal storage systems[6].

**Transportation Air Pollution Investments**

- Clean-Fuel Taxi Cabs

  Funding from several sources (DOE, California and South Coast Air Quality Mgmt. District) combined to reduce the cost of purchasing an alternative-fueled taxi cab from $27,000 to $21,000. Each CNG fueled cab reduced on average 6,300 lbs/year of HC and $NO_x$ by over 11,000 lbs/year. The Clean Air Partnership Fund could provide initial capital to attract such matching funds[7].

- Clean-Fuel Fork Lifts

  By converting 36 of 96 forklifts to natural gas, an airport facilities company demonstrated fuel cost savings of $10,000 in the first year. Conversion expenses were $1,200 per vehicle. CO, HC, $NO_x$ and $CO_2$ emissions were reduced an estimated 90%, 70%, 50%, and 10% respectively[8].

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[6]Texas Loan STAR Program, 1998.
[7]"Spotlight on Niche Markets - Taxis Are Changing to AFVs". Alternative Fuel News, DOE, Vol. 2, No.5.
[8]Case Studies on Cost-Effective Forklift Truck Fleets. Gas Research Institute, May 1, 1996.

- Electric Buses

  Converting diesel buses to electric buses results in virtually zero tailpipe emissions. Air toxics, soot and smog are all reduced. Chattanooga Area Regional Transportation Authority has converted 16 of 81 vehicles to electricity at a cost of $160,000 to $180,000 for 22- and 31-ft electric buses. Fuel costs ranged from $0.04 to $0.05/mile for electric compared to $0.16/mile for diesel. Maintenance costs ranged from $0.04 to $0.075/mile for electric and $0.185/mile for diesel. The initial capital costs of the bus conversions can be offset by fuel and operating cost savings[9].

**Residential and Commercial Energy Consumption**

- Solar Water Heaters

  Replacing an average home electric water heater with a solar water heater would prevent 26 pounds of $NO_x$ and 40 pounds of $SO_2$ on average annually. It would also reduce 7,600 pounds of $CO_2$ annually[10].

- Energy Efficient Lighting

  In a commercial office building project, replacement of over 12,000 florescent T12 lamps with energy-efficient T8s with electronic ballasts prevented over 2.5 million pounds/year of $CO_2$, and over 3 million g/year of $SO_2$ and $NO_x$. This reduced electricity consumption by 43% and saved over $100,000 per year.

**Renewable Energy Sources**

- Wind Turbines

  A 10-MW wind farm would annually displace 23,000 tons of $CO_2$, 123 tons of $SO_2$ 80 tons of $NO_x$ [11].

- Fuel Cells

  Fuel cells emit about 1/250th as much $NO_x$ per unit of electricity generated as that from a conventional power plant[12].

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[9] Electric Buses Energize Downtown Chattanooga. Argonne National Lab., DOE, August 1, 1997.

[10] "Reducing Greenhouse Gases & Air Pollution: A Menu of Harmonized Options. Preliminary Findings, November 1998. State and Territorial Air Pollution Program Administrators (STAPPA) and Association of Local Air Pollution Control Officials (ALAPCO).

[11] STAPPA-ALAPCO, 1998.

[12] STAPPA-ALAPCO, 1998.

### Municipal Landfill Emissions as Energy Source

- Private developers use gas collected from a Raleigh, NC city owned landfill to fuel boilers, thus reducing GHG and conventional pollutants. The facility eliminates the methane emissions of the landfill avoids the emissions at the utility that provided the original supply of electricity. City of Raleigh receives royalties of $65,000 -$75,000 per year[13].

- The South Davis County Sewer Improvement District operates a cogeneration project that burns methane from sewage sludge processing, thus virtually eliminating the methane emissions and avoids the emissions at the utility that provided the original supply of electricity. The system saves $5,000 per month on utility bills for the District and provides 75% of the facilities electricity and all of its heating needs[14].

### Municipal Cogeneration Facilities

- Trenton, NJ partnered with a private company to build and operate a cogeneration facility to avoid paying all the construction and maintenance costs itself. The private company keeps the electricity sales revenues. The cogeneration facility reduces oil and gas consumption by nearly 50% avoiding emissions of 33,000 pounds/year of particulates.

- A new $52 million wood-fired combined heat and power system is to be built in St. Paul, Minnesota. The plant will provide 25 megawatts of electricity to Northern States Power -- enough to supply electricity to 20,000 homes and heat to 450 downtown St. Paul commercial customers. A substantial portion of the wood waste to fire the system will come from downed trees, trimmings and branches from the Twin Cities area.

  The project will significantly reduce air pollution by displacing 110,000 tons of coal that are presently burned every year, with wood waste. This will reduce sulfur dioxide emission by roughly 600 tons per year and reduce fossil fuel derived carbon dioxide emissions by roughly 280,000 tons per year. The power plant can operate at more than double the efficiency of conventional electricity-only power plants, resulting in twice the useful end-energy for the same raw energy input[15].

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13 DOE, Energy Solutions for Cities and Counties.
14 DOE, Energy Solutions for Cities and Counties.

15 Trigen-Cinergy Solutions, 1/8/99.

eral and special funds—Continued

BUILDINGS AND FACILITIES—Continued

Program and Financing (in millions of dollars)—Continued

| Identification code 68–0110–0–1–304 | 1998 actual | 1999 est. | 2000 est. |
|---|---|---|---|
| 10.00 Total new obligations | 117 | 77 | 63 |
| **Budgetary resources available for obligation:** | | | |
| 21.40 Unobligated balance available, start of year | 24 | 20 | |
| 22.00 New budget authority (gross) | 109 | 57 | 63 |
| 22.10 Resources available from recoveries of prior year obligations | 4 | | |
| 23.90 Total budgetary resources available for obligation | 137 | 77 | 63 |
| 23.95 Total new obligations | −117 | −77 | −63 |
| 24.40 Unobligated balance available, end of year | 20 | | |
| **New budget authority (gross), detail:** | | | |
| 40.00 Appropriation | 109 | 57 | 63 |
| **Change in unpaid obligations:** | | | |
| 72.40 Unpaid obligations, start of year: Obligated balance, start of year | 192 | 214 | 184 |
| 73.10 Total new obligations | 117 | 77 | 63 |
| 73.20 Total outlays (gross) | −92 | −107 | −112 |
| 73.45 Adjustments in unexpired accounts | −4 | | |
| 74.40 Unpaid obligations, end of year: Obligated balance, end of year | 214 | 184 | 135 |
| **Outlays (gross), detail:** | | | |
| 86.90 Outlays from new current authority | 7 | 9 | 11 |
| 86.93 Outlays from current balances | 85 | 98 | 102 |
| 87.00 Total outlays (gross) | 92 | 107 | 112 |
| **t budget authority and outlays:** | | | |
| Budget authority | 109 | 57 | 63 |
| Outlays | 92 | 107 | 112 |

This appropriation provides for the construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities that are owned or used by the Environmental Protection Agency. This appropriation supports the Agency-wide goal of effective management. EPA's management infrastructure will set and implement the highest quality standards for effective internal management and fiscal responsibility. The facilities funded by this account will provide quality work environments and state-of-the-art laboratories that consider employee safety and security and pollution prevention.

Object Classification (in millions of dollars)

| Identification code 68–0110–0–1–304 | 1998 actual | 1999 est. | 2000 est. |
|---|---|---|---|
| 25.4 Operation and maintenance of facilities | 12 | 8 | 26 |
| 32.0 Land and structures | 105 | 69 | 37 |
| 99.9 Total new obligations | 117 | 77 | 63 |

STATE AND TRIBAL ASSISTANCE GRANTS

For environmental programs and infrastructure assistance, including capitalization grants for State revolving funds and performance partnership grants, [$3,386,750,000] *$2,837,957,000*, to remain available until expended, of which [$1,350,000,000] *$800,000,000* shall be for making capitalization grants for the Clean Water State Revolving Funds under title VI of the Federal Water Pollution Control as amended[, and $775,000,000]; *$825,000,000* shall be for captition grants for the Drinking Water State Revolving Funds section 1452 of the Safe Drinking Water Act, as amended[, except that, notwithstanding section 1452(n) of the Safe Drinking Water Act, as amended, none of the funds made available under this heading in this Act, or in previous appropriations acts, shall be reserved by the Administrator for health effects studies on drinking water contaminants, $50,000,000]; *$200,000,000 for a clean air partnership fund demonstration program under section 103 of the Clean Air Act to support programs to achieve early, integrated reductions in emissions of air pollutants, including local revolving funds and other mechanisms for leveraging non-Federal resources; $100,000,000* for architectural, engineering, planning, design, construction and related activities in connection with the construction of high priority water and wastewater facilities in the area of the United States-Mexico Border, after consultation with the appropriate border commission[, $30,000,000]; *$15,000,000* for grants to the State of Alaska to address drinking water and wastewater infrastructure needs of [rural and] Alaska Native Villages[, $301,750,000 for making grants for the construction of wastewater and water treatment facilities and groundwater protection infrastructure in accordance with the terms and conditions specified for such grants in the joint explanatory statement of the committee of conference accompanying this Act (H.R. 4194); and $880,000,000]; *$10,000,000 for a grant to the city of New Orleans, Louisiana to support planning, design, construction and other activities related to storm water problems in the city's sewer system; $3,000,000 for grants for water infrastructure improvements in Bristol County, Massachusetts; and $884,957,000* for grants, including associated program support costs, to States, federally recognized tribes, interstate agencies, tribal consortia, and air pollution control agencies for multi-media or single media pollution prevention, control and abatement and related activities, including activities pursuant to the provisions set forth under this heading in Public Law 104–134, and for making grants under section 103 of the Clean Air Act for particulate matter monitoring and data collection activities: *Provided*, That[, consistent with section 1452(g) of the Safe Drinking Water Act (42 U.S.C. 300j–12(g)), section 302 of the Safe Drinking Water Act Amendments of 1996 (Public Law 104–182) and the accompanying joint explanatory statement of the committee of conference (H. Rept. No. 104–741 to accompany S. 1316, the Safe Drinking Water Act Amendments of 1996), and notwithstanding any other provision of law, beginning in fiscal year 1999 and thereafter, States may combine the assets of State Revolving Funds (SRFs) established under section 1452 of the Safe Drinking Water Act, as amended, and title VI of the Federal Water Pollution Control Act, as amended, as security for bond issues to enhance the lending capacity of one or both SRFs, but not to acquire the state match for either program, provided that revenues from the bonds are allocated to the purposes of the Safe Drinking Water Act and the Federal Water Pollution Control Act in the same portion as the funds are used as security for the bonds: *Provided further*, That, notwithstanding the matching requirement in Public Law 104–204 for funds appropriated under this heading for grants to the State of Texas for improving wastewater treatment for the Colonias, such funds that remain unobligated may also be used for improving water treatment for the Colonias, and shall be matched by State funds from State resources equal to 20 percent of such unobligated funds: *Provided further*, That, hereafter the Administrator is authorized to enter into assistance agreements with Federally recognized Indian tribes on such terms and conditions as the Administrator deems appropriate for the development and implementation of programs to manage hazardous waste, and underground storage tanks: *Provided further*, That beginning in fiscal year 1999 and thereafter, pesticide program implementation grants under section 23(a)(1) of the Federal Insecticide, Fungicide and Rodenticide Act, as amended, shall be available for pesticide program development and implementation, including enforcement and compliance activities: *Provided further*, That, notwithstanding section 603(d)(7) of the Federal Water Pollution Control Act, as amended, the limitation on the amounts in a State water pollution control revolving fund that may be used by a State to administer the fund shall not apply to amounts included as principal in loans made by such fund in fiscal year 1999 and prior years where such amounts represent costs of administering the fund, to the extent that such amounts are or were deemed reasonable by the Administrator, accounted for separately from other assets in the fund, and used for eligible purposes of the fund, including administration.] *beginning in fiscal year 2000 and thereafter, notwithstanding section 518(f) of the Federal Water Pollution Control Act, the Administrator is authorized to use the amounts appropriated for any fiscal year under section 319 of that Act to make grants to Indian Tribes pursuant to section 319(h) and 518(e) of that Act: Provided further, That notwithstanding any other provision of law, for fiscal year 2000, each State may reserve from funds in its Clean Water State Revolving Fund an amount equal to no more than 20 percent of the sums allotted to such State under section 604 of the Federal Water Pollution Control Act to provide grants of no more than 60 percent of the costs of projects eligible under section 603(c) (2) or*

*(3) of such Act. Such grants may not be made for publicly-owned treatment works as defined in section 212 of that Act. Projects receiving grant assistance must, to the maximum extent practicable, rank highest on the State's priority list that is used to prioritize projects eligible for assistance under section 603(c) of that Act. (Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.)*

NOTE: Additional funding is provided in P.L. 105–277 the Omnibus Consolidated and Emergency Supplemental Appropriations act, 1999, Division A, Section 121.

**Program and Financing** (in millions of dollars)

| Identification code 68–0103–0–1–304 | | 1998 actual | 1999 est. | 2000 est. |
|---|---|---|---|---|
| | **Obligations by program activity:** | | | |
| | Direct program: | | | |
| 00.01 | Clean Air | 205 | 277 | 410 |
| 00.02 | Clean Water | 2,911 | 3,928 | 2,107 |
| 00.04 | Preventing Pollution | 86 | 116 | 84 |
| 00.05 | Waste Management | 69 | 84 | 66 |
| 00.06 | Global and Cross-Border | 80 | 68 | 100 |
| 00.09 | Credible Deterrent | 72 | 94 | 71 |
| 10.00 | Total new obligations | 3,423 | 4,567 | 2,838 |
| | **Budgetary resources available for obligation:** | | | |
| 21.40 | Unobligated balance available, start of year | 1,351 | 1,160 | |
| 22.00 | New budget authority (gross) | 3,213 | 3,407 | 2,838 |
| 22.10 | Resources available from recoveries of prior year obligations | 19 | | |
| 23.90 | Total budgetary resources available for obligation | 4,583 | 4,567 | 2,838 |
| 23.95 | Total new obligations | –3,423 | –4,567 | –2,838 |
| 24.40 | Unobligated balance available, end of year | 1,160 | | |
| | **New budget authority (gross), detail:** | | | |
| 0.00 | Appropriation | 3,213 | 3,407 | 2,838 |
| | **Change in unpaid obligations:** | | | |
| 72.40 | Unpaid obligations, start of year: Obligated balance, start of year | 6,205 | 7,012 | 8,779 |
| 73.10 | Total new obligations | 3,423 | 4,567 | 2,838 |
| 73.20 | Total outlays (gross) | –2,597 | –2,800 | –3,140 |
| 73.45 | Adjustments in unexpired accounts | –19 | | |
| 74.40 | Unpaid obligations, end of year: Obligated balance, end of year | 7,012 | 8,779 | 8,477 |
| | **Outlays (gross), detail:** | | | |
| 86.90 | Outlays from new current authority | 544 | 550 | 541 |
| 86.93 | Outlays from current balances | 2,053 | 2,250 | 2,599 |
| 87.00 | Total outlays (gross) | 2,597 | 2,800 | 3,140 |
| | **Net budget authority and outlays:** | | | |
| 89.00 | Budget authority | 3,213 | 3,407 | 2,838 |
| 90.00 | Outlays | 2,597 | 2,800 | 3,140 |

This appropriation supports core Agency programs and a number of the Agency's ten goals.

*Clean and Safe Water.*—This Agency goal is to ensure people are provided clean and safe water to drink, and to protect and restore America's water bodies to improve public health, enhance water quality, reduce flooding, and provide wildlife habitat. In support of this goal, EPA will provide funds for capitalization grants to States for Clean Water State Revolving Funds (SRFs), the purpose of which are to make low interest loans to communities and grants to Indian Tribes and Native Alaska Villages to construct wastewater treatment infrastructure, and fund other projects to enhance water quality. Since 1989, the Federal Government has invested approximately $15 billion in grants to help capitalize the 51 SRFs. With required State match, additional State contribution, and funds from program leveraging, funds available for such loans total approximately $27 billion. The Administration's goal is for the Clean Water SRFs eventually to provide an average of $2 billion a year in loans. Appropriations language is being proposed to address the growing funding needs of States and tribes to address non-point source pollution.

Capitalization grants are also provided for the Drinking Water SRFs, which make low interest loans to public water systems and grants to Indian Tribes and Alaska Native Villages to help them comply with the Safe Drinking Water Act. The Administration's goal is for the Drinking Water SRFs eventually to provide an average of $500 million a year in loans. In FY 2000, another two million people will receive the benefit of secondary treatment of wastewater, for a total of 181.3 million people.

Direct grants are also provided to help address the significant water and wastewater infrastructure needs of Alaska Native Villages, and for U.S. cities that are facing exceptionally high capital needs and user charges.

EPA will support its partnerships with States and Tribes through media-specific and multi-media, and/or Performance Partnership grants to: (1) increase the number of community drinking water systems that meet all existing health-based standards, (2) protect watersheds by reducing point and nonpoint source pollution, (3) decrease the net loss of wetlands, and (4) address agricultural and urban runoff and storm water.

*Clean Air.*—To ensure that every American Community has safe and healthy air to breathe, EPA will provide funds to states to upgrade and improve air monitoring networks to obtain better data on emissions of particulate matter, air toxics in urban areas, ozone in rural areas, and acidic deposition. EPA will offer media-specific and multi-media, and/or Performance Partnership grants to States and Tribes, and technical assistance to aid in the development of State and Tribal Implementation Plans to support solutions that address local air needs.

The Budget includes $200 million for a new Clean Air Partnership Fund that will enable the development of smart multi-pollutant strategies to protect our health and our climate. The Fund will be used to capitalize local revolving funds and provide money for other financing mechanisms to fund projects that achieve innovative and early air pollution and greenhouse gas emission reductions.

*Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces and Ecosystems.*—EPA will offer media-specific and multi-media, and/or Performance Partnership grants to States and Tribes, and technical assistance to foster source reduction and recycling. Best approaches for encouraging recycling of non-hazardous industrial wastes will also be identified through work with the State and Tribal partners.

*Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response.*—To ensure that America's waste will be stored, treated, and disposed of in ways that prevent harm to people and to the natural environment, EPA will work with States, tribes and local governments to put environmental protection and decision making in the hands of those closest to the problems, while maintaining a Federal leadership role. There will be direct assistance through media-specific, and multi-media and/or Performance Partnership grants to enable tribes to implement hazardous waste programs.

*A Credible Deterrent to Pollution and Greater Compliance With the Law.*—To ensure full compliance with laws intended to protect human health and the environment. EPA will provide grant assistance to States and Tribes for both compliance monitoring and compliance assistance activities. EPA will also provide direct grant funding to States and Tribes to conduct compliance inspections and compliance assurance activities under the Toxic Substances Control Act (TSCA) and Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

*Reduction of Global and Cross-Border Environmental Risks.*—The Agency will provide direct grant assistance to address the serious environmental and human health problems associated with untreated and industrial and municipal sewage on the U.S.-Mexico border. EPA will identify waste-

# CLEAN AIR ACT SECTION 103 ASSISTANCE AUTHORITY

(January 1999)

## ASSISTANCE DEFINED:

The Federal Grant and Cooperative Agreement Act (FGCAA) defines assistance as projects whose principle purpose is to accomplish a public purpose of support or stimulation authorized by Federal statute.

## CLEAN AIR ACT SECTION 103:

CAA 103(a)(1) authorizes the Administrator to estabish programs for the prevention and control of air pollution to:

***"conduct, and promote the coordination and acceleration of research*, investigations, experiments, demonstrations, surveys and studies relating to the causes, effects (including health and welfare effects), extent, prevention and control of air pollution;"***

**NOTE:** OAR does not have delegated authority to award research grants. ORD would have to award any research projects.

## ELIGIBLE RECIPIENTS:

- For-profit entities are specifically prohibited from receiving assistance under CAA Section 103.
- Recipients of CAA Section 103 assistance must be a not-for-profit entity. This includes states, localities, non-profit (IRS 501(c)(3)) entities, universities and other institutions of higher learning.

**NOTE:** If EPA so desires, it can limit recipients under a specific CAA 103 grant program. For example, under the CAA Section 103 grant program supporting the establishment of a fine particulate monitoring network, the Agency has limited recipients to air pollution control agencies. That restriction must apply for the life of that grant program.
**NOTE:** There is no cost sharing requirement associated with CAA Section 103.

## DURATION OF PROJECTS:

- CAA Section 103 projects can be incrementally funded and can have a project period not to exceed five years.

**NOTE:** Assistance whose total project value is $100,000 or less, must be fully funded at time of award

## COMPETITION:

- While award CAA Section 103 assistance projects is discretionary, OAR encourages competition of these grants to the greatest extent possible.

**Study of Odors and Odorous Emissions**

Pub.L. 95-95, Title IV, § 403(b), Aug. 7, 1977, 91 Stat. 792, provided that the Administrator of the Environmental Protection Agency conduct a study and report to the Congress not later than Jan. 1, 1979, on the effects on public health and welfare of odors or odorous emissions, the sources of such emissions, the technology or other measures available for control of such emissions and the costs of such technology or measures, and the costs and benefits of alternative measures or strategies to abate such emissions.

**Study on Regional Air Quality**

Pub.L. 95-95, Title IV, § 403(d), Aug. 7, 1977, 91 Stat. 793, directed the Administrator of the Environmental Protection Agency to conduct a study of air quality in various areas throughout the country including the gulf coast region, with such study to include analysis of liquid and solid aerosols and other fine particulate matter and the contribution of such substances to visibility and public health problems in such areas."

## § 7402. Cooperative activities

[CAA § 102]

### (a) Interstate cooperation; uniform State laws; State compacts

The Administrator shall encourage cooperative activities by the States and local governments for the prevention and control of air pollution; encourage the enactment of improved and, so far as practicable in the light of varying conditions and needs, uniform State and local laws relating to the prevention and control of air pollution; and encourage the making of agreements and compacts between States for the prevention and control of air pollution.

### (b) Federal cooperation

The Administrator shall cooperate with and encourage cooperative activities by all Federal departments and agencies having functions relating to the prevention and control of air pollution, so as to assure the utilization in the Federal air pollution control program of all appropriate and available facilities and resources within the Federal Government.

### (c) Consent of Congress to compacts

The consent of the Congress is hereby given to two or more States to negotiate and enter into agreements or compacts, not in conflict with any law or treaty of the United States, for (1) cooperative effort and mutual assistance for the prevention and control of air pollution and the enforcement of their respective laws relating thereto, and (2) the establishment of such agencies, joint or otherwise, as they may deem desirable for making effective such agreements or compacts. No such agreement or compact shall be binding or obligatory upon any State a party thereto unless and until it has been approved by Congress. It is the intent of Congress that no agreement or compact entered into between States after November 21, 1967, which relates to the control and abatement of air pollution in an air quality control region, shall provide for participation by a State which is not included (in whole or in part) in such air quality control region.

(July 14, 1955, c. 360, Title I, § 102, formerly § 2, as added Dec. 17, 1963, Pub.L. 88-206, § 1, 77 Stat. 393, renumbered § 102, Oct. 20, 1965, Pub.L. 89-272, Title I, § 101(3), 79 Stat. 992, and amended Nov. 21, 1967, Pub.L. 90-148, § 2, 81 Stat. 485; Dec. 31, 1970, Pub.L. 91-604, § 15(c)(2), 84 Stat. 1713.)

### HISTORICAL AND STATUTORY NOTES

**Revision Notes and Legislative Reports**

1963 Acts

House Report No. 508 and Conference Report No. 1003, see 1963 U.S. Code Cong. and Adm. News, p. 1260.

1965 Acts

House Report No. 899, see 1965 U.S. Code Cong. and Adm. News, p. 3608.

1967 Acts

House Report No. 728 and Conference Report No. 916, see 1967 U.S. Code Cong. and Adm. News, p. 1938.

1970 Acts

House Report No. 91-1146 and Conference Report No. 91-1783, see 1970 U.S. Code Cong. and Adm. News, p. 5356.

**Codifications**

Section was formerly classified to section 1857a of this title.

**Prior Provisions**

Provisions similar to those comprising the first clause of subsec. (a) of this section were contained in subsec. (b)(1) of a prior section 1857a of this title, Act July 14, 1955, c. 360, § 2, 69 Stat. 322, prior to the general amendment of this chapter by Pub.L. 88-206.

## § 7403. Research, investigation, training, and other activities

[CAA § 103]

### (a) Research and development program for prevention and control of air pollution

The Administrator shall establish a national research and development program for the prevention and control of air pollution and as part of such program shall—

(1) conduct, and promote the coordination and acceleration of, research, investigations, experiments, demonstrations, surveys, and studies relating to the causes, effects (including health and welfare effects), extent, prevention, and control of air pollution;

(2) encourage, cooperate with, and render technical services and provide financial assistance to air pollution control agencies and other appropriate public or private agencies, institutions, and organizations, and individuals in the conduct of such activities;

(3) conduct investigations and research and make surveys concerning any specific problem of air pollution in cooperation with any air pollution control agency with a view to recommending a solution of such problem, if he is requested to do so by such agency or if, in his judgment, such problem may

affect any community or communities in a State other than that in which the source of the matter causing or contributing to the pollution is located;

(4) establish technical advisory committees composed of recognized experts in various aspects of air pollution to assist in the examination and evaluation of research progress and proposals and to avoid duplication of research, and

(5) conduct and promote coordination and acceleration of training for individuals relating to the causes, effects, extent, prevention, and control of air pollution.

**(b) Authorized activities of Administrator in establishing research and development program**

In carrying out the provisions of the preceding subsection the Administrator is authorized to—

(1) collect and make available, through publications and other appropriate means, the results of and other information, including appropriate recommendations by him in connection therewith, pertaining to such research and other activities;

(2) cooperate with other Federal departments and agencies, with air pollution control agencies, with other public and private agencies, institutions, and organizations, and with any industries involved, in the preparation and conduct of such research and other activities;

(3) make grants to air pollution control agencies, to other public or nonprofit private agencies, institutions, and organizations, and to individuals, for purposes stated in subsection (a)(1) of this section;

(4) contract with public or private agencies, institutions, and organizations, and with individuals, without regard to section 3324(a) and (b) of Title 31 and section 5 of Title 41;

(5) establish and maintain research fellowships, in the Environmental Protection Agency and at public or nonprofit private educational institutions or research organizations;

(6) collect and disseminate, in cooperation with other Federal departments and agencies, and with other public or private agencies, institutions, and organizations having related responsibilities, basic data on chemical, physical, and biological effects of varying air quality and other information pertaining to air pollution and the prevention and control thereof;

(7) develop effective and practical processes, methods, and prototype devices for the prevention or control of air pollution; and

(8) construct facilities, provide equipment, and employ staff as necessary to carry out this chapter.

In carrying out the provisions of subsection (a) of this section, the Administrator shall provide training for, and make training grants to, personnel of air pollution control agencies and other persons with suitable qualifications and make grants to such agencies, to other public or nonprofit private agencies, institutions, and organizations for the purposes stated in subsection (a)(5) of this section. Reasonable fees may be charged for such training provided to persons other than personnel of air pollution control agencies but such training shall be provided to such personnel of air pollution control agencies without charge.

**(c) Air pollutant monitoring, analysis, modeling, and inventory research**

In carrying out subsection (a) of this section, the Administrator shall conduct a program of research, testing, and development of methods for sampling, measurement, monitoring, analysis, and modeling of air pollutants. Such program shall include the following elements:

(1) Consideration of individual, as well as complex mixtures of, air pollutants and their chemical transformations in the atmosphere.

(2) Establishment of a national network to monitor, collect, and compile data with quantification of certainty in the status and trends of air emissions, deposition, air quality, surface water quality, forest condition, and visibility impairment, and to ensure the comparability of air quality data collected in different States and obtained from different nations.

(3) Development of improved methods and technologies for sampling, measurement, monitoring, analysis, and modeling to increase understanding of the sources of ozone percursors [1], ozone formation, ozone transport, regional influences on urban ozone, regional ozone trends, and interactions of ozone with other pollutants. Emphasis shall be placed on those techniques which—

(A) improve the ability to inventory emissions of volatile organic compounds and nitrogen oxides that contribute to urban air pollution, including anthropogenic and natural sources;

(B) improve the understanding of the mechanism through which anthropogenic and biogenic volatile organic compounds react to form ozone and other oxidants; and

(C) improve the ability to identify and evaluate region-specific prevention and control options for ozone pollution.

(4) Submission of periodic reports to the Congress, not less than once every 5 years, which evaluate and assess the effectiveness of air pollution control regulations and programs using monitoring and modeling data obtained pursuant to this subsection.

**(d) Environmental health effects research**

(1) The Administrator, in consultation with the Secretary of Health and Human Services, shall conduct a research program on the short-term and long-term effects of air pollutants, including wood smoke, on human health. In conducting such research program the Administrator—

(A) shall conduct studies, including epidemiological, clinical, and laboratory and field studies, as

NASEO National Association of State Energy Officials
ENERGY'S WASHINGTON VOICE

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***Program Manager***
WILLIAM M. WALKER JR.

September 27, 1999

The Honorable James T. Walsh
Chairman
Veterans Affairs, HUD and
Independent Agencies
Appropriations Subcommittee
H-143 Capitol Building
Washington, D.C. 20515-6022

The Honorable Kit Bond
Chairman
Veterans Affairs, HUD and
Independent Agencies
Appropriations Subcommittee
SD-130
Dirksen Senate Office Building
Washington, D.C. 20510-6032

The Honorable Alan B. Mollohan
Ranking Member
Veterans Affairs, HUD and
Independent Agencies
Appropriations Subcommittee
2346 Rayburn House Office Building
Washington, D.C. 20515-4801

The Honorable Barbara Mikulski
Ranking Member
Veterans Affairs, HUD and
Independent Agencies
Appropriations Subcommittee
SD-130 Dirksen Senate Office Building
Washington, D.C. 20510-6032

Re: Clean Air Partnership Fund

Dear Chairmen Walsh and Bond, Senator Mikulski and Rep. Mollohan:

As you proceed to conference this week on the FY'2000 VA, HUD and Independent Agencies Appropriations Bill, we wanted to take this opportunity to stress our strong support for full funding of the Clean Air Partnership Fund. As you know, the House provided \$36.5 million and the Senate proposed no funding for this important initiative. The states support funding of this innovative program which would help provide cost-effective program support for a multi-pollution reduction initiative for both environmental technologies and environmentally-related energy technologies.

The states look forward to this partnership, which would not create new regulatory burdens. This would be a dramatic step forward to help provide financing for projects that look at a cross-sector of pollution, rather than simply one pollutant. It would provide significant opportunities for state-local and state-business partnerships in a competitive setting.

The National Association of State Energy Officials (NASEO) represents virtually all the state energy offices in support of balanced energy and environmental policies. We hope that you will have the opportunity to support the full $200 million program. This could be an important non-partisan initiative.

Sincerely,

Richard Sedano

Richard Sedano
Chairman

cc: State Energy Directors

927 CLE

**CLEAN AIR PARTNERSHIP FUND**
## Items to Discuss in Prebrief

1) **CAPF AND COURT CASES:**
   - CAPF STILL MAKES SENSE BECAUSE

     A) ITS FOR MANY AIR POLLUTION PROBLEMS AND NEED EXISTS; (E.G. AIR TOXICS/MULTI-POLLUTANT/EXISTING NAAQS)

     B) IT IS NOT FOCUSSED ON GRANT SUPPORT FOR NONATTAINMENT AREAS SPECIFICALLY;

     C) IT IS A POSITIVE THING THAT CONGRESS CAN DO TO SHOW CONTINUED COMMITMENT TOWARDS CLEAN AIR;

     D) IT IS TO SUPPORT VOLUNTARY INITIATIVES AND DEMONSTRATION PROGRAMS.

     E) OTHERS?

2) **CONGRESS**
   - WHO SHOULD ADMINISTRATION BE TALKING TO?;
   - HOW DOES THE CAPF BUDGET ITEM FARE IN THE MIX OF ALL CLIMATE CHANGE BUDGET ITEMS?
   - HOW CAN WE GENERATE FOCUSSED SUPPORT IN THE RIGHT PLACES?

3) **CAPF STATUS**
   - REVIEW PROGRAM DESIGN
   - LETTERS RECEIVED AND OUTREACH SUMMARY

4) **OBJECTIVES FOR THE MEETING**
   - INTRODUCE FUND, PROVIDE BRIEF ON STATUS AND PROGRAM DESIGN
   - DISCUSS FUND'S RELATIONSHIP TO CLIMATE CHANGE/ENERGY EFFICIENCY AND CONVENTIONAL AIR POLLUTION
   - SECURE SPECIFIC INDUSTRY SUPPORT & COMMITMENT FOR THEM TO TALK TO THE RIGHT PEOPLE
   - INITIATE DISCUSSIONS WITH THEM ABOUT SPECIFIC PROJECTS/PROGRAMS/PARTNERSHIP.

# SUGGESTED TALKING POINTS
# FOR GEORGE FRAMPTON AND BOB PERCIASEPE
# FOR INTRODUCTION AND BACKGROUND PART OF CAPF MEETING

## FRAMPTON

- WELCOME TO ALL OF YOU. THANKS FOR YOUR TIME TODAY TO DISCUSS AN IMPORTANT ENVIRONMENTAL OPPORTUNITY -- THE CLEAN AIR PARTNERSHIP FUND.

- THE CLEAN AIR PARTNERSHIP FUND REPRESENTS A SIGNIFICANT OPPORTUNITY TO SECURE VITAL RESOURCES FOR AIR POLLUTION CONTROL AND PREVENTION. WE ARE EAGER TO WORK WITH YOU TO DEVELOP AND IMPLEMENT THE MOST EFFECTIVE FUND POSSIBLE.

- THE IDEA FOR THE PARTNERSHIP FUND COMES FROM TWO MAIN SOURCES:

  - <u>FIRST</u>, DESPITE CONSIDERABLE PROGRESS, CLEAN AIR CHALLENGES ABOUND -- AS YOU ARE ALL CLEARLY AWARE OF. CRITERIA AIR POLLUTION REDUCTIONS WILL CONTINUE TO OCCUPY ALL OF OUR ATTENTION -- EVEN IN THE FACE OF THE RECENT COURT RULINGS WHICH BOB MAY WANT TO ADDRESS IN A MOMENT. AIR TOXICS, CLIMATE CHANGE AND ENERGY CONSERVATION REMAIN ACTIVE CHALLENGES FOR INDUSTRY AND GOVERNMENT TODAY.

- SECOND, THERE IS A LOT OF ACTIVE INTEREST IN WORKING ON CONVENTIONAL AIR POLLUTION AND CLIMATE CHANGE FROM AN INTEGRATED PERSPECTIVE. FOR EXAMPLE...

    - INCREASINGLY INDUSTRY IS FOCUSING ON MEETING MULTIPLE DEMANDS WITH INTEGRATED STRATEGIES. THIS WAS THE CENTER OF THE MARCH '99 STUDY ON INTEGRATED AIR POLLUTION POLICIES AND IS THE FOCUS OF THE AIR QUALITY INTEGRATION DIALOGUE WHICH EPA IS HOSTING WITH EEI AND SEVERAL OF YOU ARE PARTICIPATING IN.

• IF SUCCESSFUL, THE FUND COULD PROVIDE A POWERFUL CATALYST FOR:

- INTEGRATED REDUCTIONS OF AIR POLLUTION;
  (WE KNOW MANY INDUSTRIES AND SOURCES WANT TO PURSUE EARLY REDUCTION OF AIR POLLUTION)

- ECONOMIC BENEFITS FOR THE TECHNOLOGY PROVIDERS IN THE PRIVATE SECTOR ;
  (INDUSTRY IS READY TO PROVIDE INNOVATIVE TECHNOLOGICAL SOLUTIONS TO THE AIR QUALITY CHALLENGES AND THIS WILL HELP THE LOCAL AS WELL AS NATIONAL ECONOMY)

- INNOVATIVE FINANCIAL PARTNERSHIPS.
  (THE FUND COULD BE USED TO ESTABLISH LOCAL OR STATE REVOLVING FUNDS AND OTHER FINANCIAL MECHANISMS THAT COULD ATTRACT OTHER CAPITAL AND EVENTUALLY RESULT IN A PERMANENT SOURCE OF AIR QUALITY SUPPORT).

- MORE COST-EFFECTIVE SIPS (STATE IMPLEMENTATION PLANS); AND

  (STATE AND LOCAL GOVERNMENTS ARE CONSTANTLY SEARCHING FOR THE MOST ECONOMICAL WAY TO ATTAIN THEIR HEALTH-BASED AIR QUALITY GOALS)

- A LINKING OF URBAN ECONOMIC DEVELOPMENT AND IMPROVING AIR QUALITY.

  (PARTNERSHIP FUNDS COULD PROVIDE A BOOST FOR SMALL BUSINESS IN THE FORM OF TECHNICAL DEMONSTRATIONS AND ASSISTANCE AND THE FUND COULD BE LINKED WITH OTHER LIVEABILITY GOALS)

• TO PURSUE THE PARTNERSHIP FUND THE ADMINISTRATION IS ENGAGED IN AN ACTIVE OUTREACH STRATEGY. CEQ IS WORKING CLOSELY WITH EPA AND THE REST OF THE ADMINISTRATION TO GATHER THE BROADEST SET OF PERSPECTIVES ON THE FUND AND SOLIDIFY SUPPORT.

WE ARE INTERESTED IN YOUR IDEAS ON HOW THE FUND CAN FURTHER YOUR OWN AIR QUALITY OBJECTIVES. I'D LIKE BOB TO SHARE HIS PERSPECTIVE WITH YOU NOW.

**PERCIASEPE**

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- EPA WAS EXTREMELY PLEASED TO RECEIVE THE PRESIDENT AND CEQ'S SUPPORT FOR A NEW FUND FOR CLEAN AIR. WE BELIEVE THE TIMING IS RIGHT IN INDUSTRY, IN STATE AND LOCAL GOVERNMENT AND WITHIN THE ADMINISTRATION FOR THE FUND.

- TODAY WE'D LIKE TO DISCUSS WITH YOU HOW BEST TO SHAPE THE FUND, AND GENERATE THE SUPPORT IT WILL NEED TO BECOME A PART OF EPA'S BUDGET IN THE FALL. WE HOPE THAT THE SUPPORT OF BOTH INDUSTRY, THE PROVIDER OF THE IDEAS AND THE CLEAN AIR TECHNOLOGICAL INNOVATIONS, AND STATE AND LOCAL GOVERNMENTS, THE RECIPIENTS OF THE POTENTIAL GRANTS, WILL PROVE A WINNING COMBINATION IN TERMS OF SECURING SUPPORT.

- WE ENVISION STATE AND LOCAL GRANT RECIPIENTS TURNING TO THE PRIVATE SECTOR TO BRING THE MOST INNOVATIVE CLEAN AIR PROJECTS INTO FRUITION. THAT IS THE TYPE OF PARTNERSHIP WE ARE TRYING TO BUILD WITH THE FUND. THAT IS WHY WE ARE PLEASED TO TALK WITH YOU TODAY.

- ANNA GARCIA WILL SUMMARIZE WHAT WE HAVE BEEN HEARING FROM NUMEROUS STAKEHOLDERS TO DATE BUT FIRST I'D LIKE TO FILL YOU IN ON WHAT WE HAVE BEEN HEARING FROM **CONGRESS**. TO DATE, THE STORY IS MIXED.

- WE HAVE MET WITH VARIOUS COMMITTEE STAFF WHO ALL HAVE PARTICULAR QUESTIONS ABOUT HOW THE FUND WILL OPERATE AND WHAT CLEAN AIR ACT AUTHORITY EPA WILL USE TO ADMINISTER THE FUND (SECTION 103).

- MORE TO THE POINT OF SUPPORT, MANY CAN'T RESIST THE TEMPTATION TO COMPARE THIS NEW BUDGET REQUEST WITH OTHER BUDGET ITEMS THAT ARE NOT BEING FULLY FUNDED FROM THEIR PERSPECTIVE -- PARTICULARLY THEY ARE CONCERNED ABOUT THE DROP IN PROPOSED FUNDING FOR THE CLEAN WATER STATE REVOLVING FUNDS.

- SOME MEMBERS OF CONGRESS ARE NOT INTERESTED, AS YOU KNOW, IN ANY PROGRAM ADDRESSING CLIMATE CHANGE.

- SOME MEMBERS OF CONGRESS DO NOT YET FULLY REALIZE THE OPPORTUNITIES OF AN <u>INTEGRATED</u> AIR POLLUTION POLICY AGENDA.

- AND SOME MEMBERS FRANKLY ARE NOT SUPPORTIVE OF A NEW PRESIDENTIAL INITIATIVE IN AN ELECTION YEAR.

- STAFF TELL US THEY ARE CURRENTLY HEARING SUPPORT FOR BETTER AMERICA BONDS AND HAVE YET TO HEAR MUCH CONCERNING THE CLEAN AIR PARTNERSHIP FUND. SOME STAFF BELIEVE THAT WHEN THE MEMBERS DO HEAR SUPPORT, THEIR MEMBERS WILL BE SUPPORTIVE.

# Clean Air Partnership Fund

**Meeting with Industry Representatives**
**Friday, May 28**
**12:00 noon - 1:00 p.m.**

**Council on Environmental Quality**
**Old Exeuctive Office Building**
**17th & Pennsylvania**
**Room 472**

## AGENDA

1) **Introductions**

2) **Clean Air Partnership Fund Introduction and Background**

3) **Activities to Date**

4) **Discussion of Potential Projects & Program Design**

5) **Next Steps**

*Meeting Contacts:*
*Nancy in George Frampton's Office, CEQ (202) 456-5147*
*Keith Mason at EPA (202) 260-1360*

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**FOR GEORGE FRAMPTON AND BOB PERCIASEPE**
**FOR INTRODUCTION AND BACKGROUND PART OF CAPF MEETING**

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- SOME MEMBERS OF CONGRESS ARE NOT INTERESTED, AS YOU KNOW, IN ANY PROGRAM ADDRESSING CLIMATE CHANGE.

- SOME MEMBERS OF CONGRESS DO NOT YET FULLY REALIZE THE OPPORTUNITIES OF AN <u>INTEGRATED</u> AIR POLLUTION POLICY AGENDA.

- AND SOME MEMBERS FRANKLY ARE NOT SUPPORTIVE OF A NEW PRESIDENTIAL INITIATIVE IN AN ELECTION YEAR.

- STAFF TELL US THEY ARE CURRENTLY HEARING SUPPORT FOR BETTER AMERICA BONDS AND HAVE YET TO HEAR MUCH CONCERNING THE CLEAN AIR PARTNERSHIP FUND. SOME STAFF BELIEVE THAT WHEN THE MEMBERS DO HEAR SUPPORT, THEIR MEMBERS WILL BE SUPPORTIVE.

**Clean Air Partnership Fund**
**CEQ-EPA Meeting with Industry Representatives**
**Confirmed Attendance**

| | | PHONE/FAX | EMAIL |
|---|---|---|---|
| Tom Rawls | Dir. of Policy<br>Green Mountain Energy Resources | | |
| Michael Marvin | Exec. Director,<br>Business Council on Sustainable Dev. | | |
| Frank Cassidy | President & CEO<br>PSE&G Energy Technologies | | |
| Christine Neely | Manager<br>Environmental Issues<br>PSE&G | | |
| David Bushnell | JMD Associates, Inc.<br>Representing Englehardt Corporation | | |
| Bill Glew | Niagra Mohawk | | |
| Jerry Hill | BP Amoco<br>Fed. Gov't. Affairs | | |
| Mark Hall | Trigen | | |
| Todd Kantorczyk | Gibson,Dunn & Kurtcher<br>Representing<br>Lockheed-Martin | | |
| Randy Swisher | Executive Director<br>American Wind Energy Association | | |
| Michael Bradley | Executive Director<br>Clean Air Energy Group | | |
| Kevin Fay | Executive Director<br>International Climate Change Partnership | | |
| Jeff Smith | Institute of Clean Air Companies | | |
| Roby Roberts | Renewable Energy Policy Project | | |

| | | | |
|---|---|---|---|
| Debra Waggoner | Director<br>Public Policy<br>Corning | | |
| Anthony Kavanagh | American Electric Power | | |
| Victoria Arroyo Cochran | Pew Center | | |
| Scott Sklar | Executive Director<br>Solar Energy Industries<br>Association | | |
| Bill Guerry | Exec. Director<br>Outdoor Power Equipment<br>Institute | | |

| **Administration** | | | |
|---|---|---|---|
| George Frampton | CEQ | | |
| Linda Lance | CEQ | | |
| Robert E. Perciasepe | EPA | | |
| Keith D. Mason | EPA | | |
| Anna Garcia | EPA | | |

# President Clinton's Clean Air Partnership Fund

- President Clinton's FY2000 budget proposes a new $200 million Clean Air Partnership Fund. The Fund will provide an opportunity for cities, states and tribes to partner with the private sector, the federal government and each other to provide healthy clean air to local citizens. The Fund will demonstrate smart multi-pollutant strategies that reduce greenhouse gases, air toxics, soot and smog to protect our climate and our health.

- The ***Clean Air Partnership Fund*** will bring the most creative ideas for cleaning the air we breathe to where they are needed most -- local communities. Good ideas for clean air -- ideas that save money and reduce pollution -- can be demonstrated to create a cleaner, more efficient environment at the local level. The ***Clean Air Partnership Fund*** will act as a magnet for local innovation and investment.

- The ***Clean Air Partnership Fund*** will:

    - be a catalyst for innovative local, state, private partnerships for air pollution reductions;

    - demonstrate locally managed, self-supporting programs that achieve early integrated reductions in soot, smog, air toxics, and greenhouse gases;

    - be used to capitalize local revolving funds and other financial mechanisms that leverage the original federal investment and result in greater resources for air pollution reduction; and

    - stimulate technology innovation.

- The Clean Air Partnership will fund more optimal, multi-pollutant control strategies. Currently, businesses and municipalities often invest in short-term, single-pollutant control approaches. The Partnership will encourage many industries, such as electric utilities and the transportation sector, to pursue comprehensive criteria pollutant reductions while improving energy and operational efficiencies, thereby also reducing greenhouse gas emissions.

- The Clean Air Fund will provide these needed resources through mechanisms that promise significant leveraging of nonfederal resources. It is expected that the Fund will support the development of local revolving funds, low-interest loan programs, matching funds, public-private partnerships, and other capitalization mechanisms. These mechanisms have been proven to leverage federal dollars 2 to 2 ½ times, substantially increasing the Fund's impact.

# U.S. Environmental Protection Agency
# The Clean Air Partnership Fund

*Frequently Asked Questions*
*March 1, 1999*

President Clinton's FY2000 budget proposes a new $200 million Clean Air Partnership Fund. The Fund will provide an opportunity for cities, states and tribes to partner with the private sector, the federal government and each other to provide healthy clean air to local citizens. The Fund will demonstrate smart multi-pollutant strategies that reduce air toxics, soot, smog, and greenhouse gases to protect our climate and our health.

**Why is the Clean Air Partnership Fund being created?**

Cities, states and tribes face many air quality challenges in providing clean air to their residents. Localities and states must develop plans to meet health-based federal air pollution standards (e.g. smog and soot). Some localities must form state plans to reduce emissions of $NO_x$ to prevent the transportation of ozone from one region to another. Many urban areas are designing their urban air toxics reduction strategies. In addition, electric utility restructuring and visibility-degrading regional haze must be addressed by air quality planners. The Clean Air Partnership Fund is designed to help meet these existing Clean Air needs in an integrated fashion.

**Why is the Clean Air Partnership Fund unique?**

Currently, businesses and municipalities often invest in short-term, single-pollutant control approaches. The Partnership will encourage many industries, such as electric utilities and the transportation sector, to pursue comprehensive criteria pollutant reductions while improving energy and operational efficiencies, thereby also reducing air toxics and greenhouse gas emissions. Unique public-private partnerships could also result.

**What types of projects will be financed by the Clean Air Partnership Fund?**

The Clean Air Partnership Fund will support demonstration projects that: (1) control multiple air pollution problems simultaneously; (2) leverage the original Federal funds; (3) facilitate meaningful public involvement; and (4) provide innovative approaches to air pollution control that could be replicated in other cities and states. For example:

**The Clean Air Partnership Fund -- *Frequently Asked Questions* continued:**

- Partnership Funds could help provide start-up capital for municipalities to establish programs to convert existing diesel fleets of school buses to cleaner fuels.

- Partnership Funds could help establish home energy efficiency investment loan funds. Reducing energy use in homes will reduce local soot, smog and air toxics and greenhouse gas emissions.

- Partnership Funds could be used to create incentives for cleaner electricity generation at utilities. Increased use of combined heat and power and natural gas combined-cycle electricity generation will yield criteria, air toxic and greenhouse gas emission reductions.

- Partnership Funds could support local revolving loan funds to finance energy efficient retrofits for local and state agency buildings, public schools, hospitals and private industry. The cost savings realized from lower energy bills would allow borrowers to repay the loans and provide an ongoing source of funding for future innovative investments.

- Partnership Funds could help support tax credits for innovative air pollution control technology investments.

- Partnership Funds could be used to stimulate demand for renewable sources of energy. Renewable energy sources such as fuel cells, photovoltaics, wind and geothermal provide ideal integrated air pollution control technologies.

**Who is eligible for funds under the Clean Air Partnership Fund?**

Entities eligible for grants through the Partnership Fund include local and state governments, tribes and multi-state organizations.

Special consideration will be given to locally based governmental projects that leverage resources in order to obtain early multi-pollutant benefits through innovative means.

## How will EPA implement the program and select projects?

EPA will solicit ideas from all stakeholders for potential multi-pollutant projects and suggestions for program design. Shortly after Congressional approval of the budget, EPA will prepare and release guidelines for proposals and the criteria for project selection.

## How will the funding mechanism work?

Grants will be made to cities, states and tribes. These organizations could receive funds to carry out projects themselves or to set up programs which might fund other projects. It is expected that the Fund will support the development of local revolving funds, low-interest loan programs, matching funds, public-private partnerships, and other capitalization mechanisms.

## What opportunities exist for harmonizing strategies to address multiple air pollution problems?

Many opportunities exist because air pollution sources usually contribute to more than one air pollution problem at a time. For example, reducing air pollution from the transportation sector by using cleaner fuels will help improve smog conditions, reduce particulate pollution, reduce hazardous air toxics as well as reduce greenhouse gas emissions. The same multiple pollutant reduction opportunities can be found in most sectors of our economy.

*For further information about the Clean Air Partnership Fund please call Keith Mason, U.S. Environmental Protection Agency, Office of Air and Radiation at (202) 260-1360.*

## Clean Air Partnership Fund
## Example Demonstration Projects & Programs

President Clinton's FY2000 budget proposes a new $200 million **Clean Air Partnership Fund.** The Fund will provide an opportunity for cities, states and tribes to partner with the private sector, the federal government and each other to provide healthy clean air to local citizens. The Fund will demonstrate smart multi-pollutant strategies that reduce air toxics, soot, smog, and greenhouse gases to protect our climate and our health.

The **Clean Air Partnership Fund** will provide critical start-up capital for innovative financing of local air pollution reduction and energy efficiciency projects. Projects such as the following will be encouraged by using the fund as an initial source of capital and as a magnet for creative partnership proposals.

- ELECTRIC GROUND SERVICE EQUIPMENT: Airport conversion of ground service equipment to electric power could reduce $NO_x$, PM, and air toxic emissions and generate significant cost savings.

- ULTRA LOW-$NO_X$ GAS FIRED BURNERS: Industrial furnaces and boilers in municipal and government owned buildings could apply ultra low-$NO_x$ technology. New technology can produce low $NO_x$ levels comparable to selective catalytic reduction technology at significantly lower costs.

- URBAN AIR TOXICS MONITORING: As cities develop their urban air toxics control strategies, the need for ambient air toxic monitoring information is increasing. The Fund could be used to promote improvements to the existing air toxics monitoring networks.

- CLEANER SMALL ENGINES: New clean 2-stroke engines and alternative fuels for small consumer and commercial equipment will make significant advancements in traditionally uncontrolled sources of air pollution. The Clean Air Partnership Fund could establish programs to demonstrate these new cleaner engines into use at a local level.

- SMALL BUSINESS TECHNICAL ASSISTANCE CENTERS: The Fund could be used by state or local governments to establish Clean Air assistance centers that could provide innovative technology demonstrations and financial assistance to small manufacturers and businesses as they address air quality. The Clean Air Partnership Fund can play a key role in preserving a healthy and strong local economy.

- ENERGY EFFICIENCY REVOLVING LOAN FUNDS: The Fund could provide start-up capital for state and local energy efficiency revolving loan investment programs. In Texas, such a program (LoanSTAR) has generated $62 million in savings (as of August 1998) for Texas taxpayers, and the program is projected to save another $250 million over the next 20 years. State agencies, such as schools and public buildings, may apply for loans to make recommended retrofits.

- CLEAN-FUEL TAXI CABS: In California, funding from several sources (DOE, California and South Coast Air Quality Mgmt. District) combined to reduce the cost of purchasing an alternative-fueled taxi cab from $27,000 to $21,000. Each CNG fueled cab reduced on average 6,300 lbs/year of HC and $NO_x$ by over 11,000 lbs/year. The Clean Air Partnership Fund could provide initial capital to attract such matching funds and expand the presence of clean-fuel fleets.

- SOLAR WATER HEATERS: Replacing an average home electric water heater with a solar water heater would prevent 26 pounds of $NO_x$ and 40 pounds of $SO_2$ on average annually. It would also reduce 7,600 pounds of $CO_2$ annually.

- ENERGY EFFICIENT LIGHTING : In a municipal office building project, replacement of over 12,000 florescent lamps with energy-efficient lights prevented over 2.5 million pounds/year of $CO_2$, and over 100,000 pounds/year of $SO_2$ and $NO_x$. This reduced electricity consumption by 43% and saved over $100,000 per year.

*For further information about the Clean Air Partnership Fund please call Keith Mason, U.S. Environmental Protection Agency, Office of Air and Radiation at (202) 260-1360.*

# U.S. EPA CLEAN AIR PARTNERSHIP FUND
# DRAFT PROGRAM DESIGN FRAMEWORK

***Introduction***

*This Clean Air Partnership Fund draft program design framework is being prepared and distributed to solicit suggestions from all parties. Please contact Keith Mason (202-260-1360) or Anna Garcia (202-564-9492) in EPA's Office of Air and Radiation with comments or questions. A final Clean Air Partnership Fund program design will be contained in the solicitation for proposals and accompanying guidance that will be developed and distributed at a later date.*

**Statutory Authority**

- The CAPF will operate as an EPA grant program under Section 103 of the Clean Air Act which authorizes EPA to issue demonstration grants

**Eligible Grant Recipients**

The Fund will provide grants to local, state and tribal governments, and to multi-governmental organizations, specifically:

- Government agencies and organizations at the state, city, and county levels
- Tribal government agencies and organizations
- Regional and multi-governmental organizations whose members are from state, city, county and tribal agencies

**Selection Criteria for Project/Program Evaluation**

EPA will use the following criteria in the evaluation of CAPF grant proposals:

- **Reduce multiple air pollutants**. Projects or programs should reduce or prevent more than one kind of air pollutant. All classes and types of air pollutants are eligible including: $NO_x$, $SO_x$, $SO_2$, PM, VOCs, CO, lead, air toxics, ozone-depleting substances and greenhouse gases.

- **Demonstrate innovative programs or technologies** which reduce or prevent multiple air pollutants.

- **Result in significant leveraging of Federal (CAPF) funds** by:

    - providing a minimum level of matching funds directly from the grant recipient (match % to be determined)

*(Selection Criteria continued:)*

- providing additional leveraging, as appropriate to the project or program, through one or more of the following mechanisms:
  - revolving loan funds;
  - bond guarantees;
  - tax incentives;
  - supplemental matching funds;
  - funding from private sources; and/or
  - others to be proposed by applicant and approved by EPA

- **Transferability**. Project should demonstrate the potential to replicate results and create benefits in other areas of the country.

Additional criteria will also be developed that address the role of partners and public participation. Criteria may also be developed that are specific to the types or categories of projects that are eligible, as appropriate, as part of the final Solicitation of Proposals and Guidance.

## Eligible Projects & Programs

The CAPF will provide an initial source of funding for many types of demonstration projects or programs that include but are not limited to the following:

- air pollution control technologies or processes;
- air pollution prevention technologies or processes;
- retrofits or improvements that increase the energy efficiency and reduce associated air pollution of
  - commercial, industrial, municipal or residential buildings and facilities;
  - transportation systems or fleets;
  - industrial processes; or
  - existing pollution control technologies or systems
- power technologies using low or no-emitting resources as cleaner energy sources, such as renewable energy;
- financial mechanisms or other types of strategies that enable an eligible grant recipient to implement a number of demonstration projects.

## Apportioning the CAPF

- **By size of grant** - to make the CAPF accessible to as many entities as possible, different amounts of funding are apportioned to different sizes of programs or projects as follows:

| Grant size | Amt of pool | Size range | No. of grants | % of total |
|---|---|---|---|---|
| **Large** | $50 million | $5.0 - $10.0 M each | 5 - 10 | 25% |
| **Medium** | $100 million | $1.0 - $5.0 M each | 20 - 100 | 50% |
| **Small** | $50 million | < $1.0 M each | 50 - 200 | 25% |

- **By EPA's strategic air goals** - EPA will review the set of final award decisions to ensure alignment with the Agency's air goals, focusing at least 2/3 of the Fund on projects/programs that address criteria pollutants and 1/3 of the Fund on projects/programs that address air toxics and all projects/programs required to demonstrate significant co-benefit reductions of other categories of air pollutants such as greenhouse gases.

## Project/Program Timeframe

- Projects or programs should minimize the time from proposal to project start up.
- Projects or programs should be implemented within 1 - 3 years after the grant is awarded.

## Grant Evaluation & Selection Process

EPA will use a two-tiered process to evaluate proposals and select final grant awards.

- Tier 1 provides an initial screen of a project/program synopsis to see how well they meet a limited set of necessary selection criteria
- Tier 2 provides a more in-depth evaluation of full proposals across all selection criteria for projects/programs that qualify based on the Tier 1 process.

EPA's two-tier process for the CAPF comprises the following steps:

- EPA selects evaluation panels
- EPA sets parameters for Tier 1 and Tier 2 evaluations
- All applicants submit a 3-5 page synopsis of their proposals
- Panels evaluate proposal synopses using a pre-determined methodology
- Applicants that qualify based on Tier 1 evaluations develop and submit a full proposal
- EPA panels perform Tier 2 evaluations
- Final award decisions are made

## *Design Process & Timetable*

| *Clean Air Partnership Fund Program Development Steps* | *Approximate Time Frame* | *Approximate Target Date* |
|---|---|---|
| Gather information and stakeholder ideas & input | 4 - 6 months | 2/99 - 8/99 |
| Develop draft program design options | 2 - 4 months | 4/99 - 8/99 |
| Evaluate options & further develop guidance | 2 - 5 months | 8/99 - 1/00 |
| Issue Solicitation of Proposals and Guidance, and provide outreach and training about guidance to states, locals and tribes | | 2/00 - 4/00 |

## *CAPF Grant Proposal Calendar*

| | |
|---|---|
| Grant Project/Program Synopses Due | *summer '00* |
| Full Grant Proposals Due | *fall '00* |
| Final Selections Made | *winter '00/'01* |

| State | From | To | Date | Response | Response Sent (date) |
|---|---|---|---|---|---|
| OH | Cory R. Chadwick, Director, Hamilton County Department of Environmental Services | Carol Browner | 04/08/99 | Anna | |
| CT | Carmine DiBattista, Chief, Bureau of Air Management | Carol Browner | 04/06/99 | | |
| CA | Winston H. Hickox, Sec'y for Environmental Protection | Carol Browner | 04/07/99 | | |
| ME | Katherine Groves, Marine Law Institute/ Casco Bay Nat'l Estuary Project | Carol Browner (email ) | 04/05/99 | | |
| n.a. | Jeffrey C. Smith, Executive Director, Institute of Clean Air Companies | Carol Browner | 04/01/99 | | |
| STAPPA/ALAPCO & NASEO | Merrylin Zaw-Mon, STAPPA President, Charles F. Lagges, ALAPCO President, Rich Sedano, NASEO Chairman | Carol Browner | 04/05/99 | | |
| n.a. | Derek Busby, Chair, Assoc. of Nat'l Estuary Programs | Carol Browner | 04/06/99 | | |
| n.a. | Bruce Bertelsen, Executive Director, Manufacturers of Emission Controls Association | Carol Browner | 04/02/99 | | |
| OH | John A. Paul, Supervisor, Regional Air Pollution Control Agency | Carol Browner | 04/09/99 | | |
| IL | Thomas V. Skinner, Director, Illinois EPA | Carol Browner | 04/09/99 | | |
| n.a. | Robert K. Musil, Executive Director, Physicians for Social Responsibility | James T. Walsh, Chairman, Subcomittee on VA, HUD and Independent Agnencies, Approps. | 04/06/99 | | |

| State | From | To | Date | Response | Response Sent (date) |
|---|---|---|---|---|---|
| CA | Douglas W. Allard, Air Pollution Control Officer, Santa Barbara County Air Pollution Control District | Michael Stenberg, R9 | 04/23/99 | | |
| n.a. | Albert Calderon, President, Calderon Energy Co. of Bowling Green, OH | Carol Browner | 05/05/99 | | |
| CA | Duane Ono, Deputy Air Pollution Control Officer, Great Basin Unified Air Pollution Control District | Michael Stenberg, R9 | 04/12/99 | | |
| WA | Paul Schell, Mayor of Seattle | Carol Browner | 04/26/99 | | |
| IN | Lori Kaplan, Commissioner, Department of Environmental Management | Carol Browner | 04/26/99 | | |
| MD | Jane Nishida, Secretary, MD Department of Environment | Carol Browner | 04/22/99 | | |
| ME | Brooke E. Barnes, Acting Commissioner, ME Department of Envir. Protection | Carol Browner | 04/16/99 | | |
| WA | Dennis McLerran, Exec. Dir., Puget Sound Air Pollution Control Agency; and Margaret Pageler, Board Chair and Seattle City Councilmember | Carol Browner | 04/18/99 | | |
| NH | Robert Varney, Commissioner, NH Dept. of Envi. Services | Carol Browner | 04/15/99 | | |
| AL | Mary Knight, Director, Mobile Bay National Estuary Program | Carol Browner | 04/02/99 | | |
| CO | Margie M. Perkins, Director, Air Pollution Control Division, CO Dept of Public Health and the Environment | Bob Perciasepe | 05/04/99 | | |
| NJ | Robert C. Shinn, Jr., Commissioner, NJ Dept of Environmental Protection | Bob Perciasepe | 04/27/99 | | |
| UT | Dianne R. Nielson, Ph. D., Executive Director, Utah Department of Environmental Quality | Carol Browner | 05/07/99 | | |

| State | From | To | Date | Response | Response Sent (date) |
|---|---|---|---|---|---|
| MO | Stephen Mahfood, Director, Missouri Department of Natural Resources | Bob Perciasepe | 05/03/99 | | |
| MD | Peter Shapiro, Councilman, District II, Prince George's County Government | Carol Browner | 05/10/99 | | |
| WI | Susan J.M. Bauman, Mayor, Madison, WI | Carol Browner | 05/11/99 | | |

# CLEAN AIR PARTNERSHIP FUND OUTREACH STRATEGY/STATUS

| | | | | | | |
|---|---|---|---|---|---|---|
| **States & Organizations** | **Group lead: Hollis** | | | | | |
| STAPPA | Bill Becker<br>Mary Sullivan Douglas | B, C, D | ph 202-624-7864<br>fx 202-624-7863 | RB, KM, HH, AG | 2/18 meeting | Feb 1 pg, examples |
| | | | | Bob P. | CC'd on letter to state Env Com - 3/15 | |
| | | | | **Hollis, Anna** | Wk of 3/26 - follow up call | |
| | | | | Bob P. | Rec'd copy of 4/5 letter to Browner | |
| | | | | Bob P. | Meeting - MSD - 2nd wk April | Mar 99 revised fs, faq, 8exs |
| NASEO | Jeff Genzer | B, C, D | ph 202-467-6370<br>fx 202-467-6379 | KM, HH, AG | 3/4 meeting | Feb 1 pg, examples |
| | | | | Bob P. | CC'd on letter to state Env Com - 3/15 | |
| | | | | **Anna, Hollis** | Wk of 3/26 - follow up call | |
| | | | | Bob P. | Rec'd copy of 4/5 letter to Browner | |
| | | | | Bob P. | Meeting- 2nd wk April | Mar 99 revised fs, faq, 8exs |
| ECOS | Robert E. Roberts | B, C, D | ph 202-624-3660<br>fx 202-624-3666 | Bob P. | Sent letter to all commissioners - 3/15 | |
| | | | | Bob P or David G | Bob P. spoke at Spring meeting, 3/30-31 | Final info pkg, slides (?) |
| | | | | **Hollis, Anna** | | |
| NCSL | Larry Morandi<br>Linda Cross | B, C, D | ph 303-830-8003<br>fx 303-863-8003 | Bob P. | CC'd on letter to state Env Com - 3/15 | |
| | | | | KM, HH | Initial meeting on 3/25 | |
| | | | | **Keith, Anna** | | |
| NPPRT (state P2 officials) | Natalie Roy | B, C, D | ph 202-466-3908 | **Anna** | 4/10 - Presentation at spring meeting | |
| NESCAUM | Jason Grumet | B, C, D | ph 617-367-8540<br>fx 617-742-9162 | Bob P. | CC'd on letter to state Env Com - 3/15 | |
| | | | | KM | Initial meeting on 3/5 | |
| | | | | **Susan Studlien**, *Michael. Kenyon | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| MARAMA | Susan Wierman | B, C, D | ph 410-467-0170<br>fx 410-467-0170 | Bob P. | CC'd on letter to state Env Com - 3/15 | |
| | | | | Bob P. | Meeting w/John Elston - 2nd wk April | Mar 99 revised fs, faq, 8exs |
| | | | | **Judy Katz** | | |
| SESARM<br>AL, FL, GA, KY, MS, SC, NC, TN | | | | **Winston Smith**<br>*Kim Bingham<br>*Benjamin Franco | | |
| Carolinas Air Pollution Control Assoc. | | B, C, D | | **Winston Smith**<br>*Kim Bingham<br>*Benjamin Franco | 4/14-15, W. Smith presented CAPF info in regional updates speech at the CAPCA spring meeting in Asheville | |
| LADCO | Mike Koerber | B, C, D | ph 847-296-2161<br>fx 410-467-1737 | Bob P. | CC'd on letter to state Env Com - 3/15 | |
| | | | | **Steve Rothblatt** | 4/6 - Initial e-mail - will ID projects | |
| WESTAR | Ron King | B, C, D | ph 503-367-1671<br>fx 847-296-2958 | Bob P. | CC'd on letter to state Env Com - 3/15 | |
| | | | | **D Howekamp - 9**<br>*Michael Stenburg<br>**A. Frankel - 10** | Wk 4/14 - A. Frankel call to chair of Westar | |
| CenSARA<br>TX, OK, LA, IA, KS, MN, MO, AR | Larry Byrum | B, C, D | | Bob P. | CC'd on letter to state Env Com - 3/15 | |
| | | | | **Art Spratlin**<br>*Wayne Leidwanger<br>*Judith Robinson | Wk of Apr 5 - sent information to Larry Byrum | Mar 99 revised fs, faq, 8 exs |
| OTC | Bruce Carhart | B, C, D | | Bob P. | Meeting - 2nd wk April | Mar 99 revised fs, faq, 8exs |
| | | | | **Anna, Hollis** | | |
| WIEB/WRAP | | B, C, D | | **Anna** | 4/19 - Presentation at workshop | Mar 99 revised fs, faq, 8exs |
| Vermont | John Kassel - NR Sec'y<br>Canute Dalmasse - Env Com<br>Rich Sedano - Energy | B, C, D | | **Susan Studlien**<br>*Michael Kenyon | wk of 3/26 - initial call to state air director | |

| | | | | | | |
|---|---|---|---|---|---|---|
| New Hampshire | Bob Varney - Env Comm<br>Ken Colburn - Air<br>Deb Schacter - Energy | B, C, D | | **Susan Studlien**<br>*Michael Kenyon | wk of 3/26 - initial call to state air director | |
| | | | | | 4/15 - Rec'd B. Varney letter to Browner | |
| ME, CT, MA, RI | State Air Directors | B, C, D | | **Susan Studlien**<br>*Michael Kenyon | wk of 3/26 - initial call to state air directors | |
| Connecticut | Carmine DiBattista, Chief<br>Bureau of Air Management | B, C, D | | **Susan Studlien**<br>*Michael Kenyon | 4/6 - Rec'dCT BAM letter to Browner | |
| Maine | Katherine Groves, Marine Law Institute/Casco Bay Nat'l Estuary Program | B, C, D | | **Barbara Driscoll** | 4/5 - Rec'd e-mail of support to Browner | |
| Maine | Brooke Barnes, Acting Commissioner, ME DEP | B, C, D | ph 207-822-6300 | **Susan Studlien**<br>*Michael Kenyon | 4/16 - Rec'd Barnes letter to Browner | |
| New York | John P. Cahill - NYSDEC<br>Robert Warland - Air<br>William Valentino - Energy | B, C, D | | **Kathleen Callahan**<br>**Ron Borsellino**<br>*Christine DeRosa | Wk of 4/14 - discussion w/Bob Warland - also sent info. NYSDEC asked questions re admin of $ to municipalities & about SIP credits for CAPF programs/projects | Mar 99 revised fs,faq, 8ex |
| New Jersey | Robert Shinn - Env Comm<br>John Elston - Air Dir<br>Herbert Tate - NJ PUC | B, C, D | | Bob P. | Meeting - 2nd wk April | Mar 99 revised fs, faq, 8exs |
| | | | | **Kathleen Callahan**<br>**Ron Borsellino**<br>*Christine DeRosa | Wk Apr 12 - follow up call to John Elston | |
| | | | | | 4/27 - Rec'd Shinn letter to Perciasepe | |
| Puerto Rico | Hector Martinez - PREQB<br>Elizabeth Munoz - Air | B, C, D | | **Kathleen Callahan**<br>**Ron Borsellino**<br>*Christine DeRosa | Wk Apr 5 - initial contact w/PREQB & sent info | Mar 99 revised fs,faq, 8ex |
| Virgin Islands | Dean Plaskett - VI DPNR<br>Austin Moorehead -VIDNR | B, C, D | | **Kathleen Callahan**<br>**Ron Borsellino**<br>*Christine DeRosa | | |
| Pennsylvania | Jim Salvaggio, PADEP | B, C, D | | **Judy Katz**<br>*Carol Febbo | Called wk of 3/26 - he will talk to Jim Seif. | |
| Maryland | Jane Nishida, Sec'y MDE<br>Merrilyn Zaw-Mon, Air Office,MDE | B, C, D | ph 410-631-3000 | **Judy Katz** | wk of 3/26 - Initial call - will id projects | |
| | | | | | 4/22 - Rec'd Nishida letter to Browner | |

| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|---|---|---|
| Virginia | John Daniel, Dir VA Air | B, C, D | | **Judy Katz** | wk of 3/26 - Initial call - will discuss w/ Dennis Treacy, VADEQ Sec'y | |
| DC | Ted Gordon, Dep Dir, D.C. Department of Health | B, C, D | | **Judy Katz** *Carol Febbo | wk of 3/26 - Initial call | |
| | | | | | 4/14 - R3 sent letter to WashCOG | Mar 99 revised fs,faq, 8ex |
| DVRPC | | B, C, D | | **Judy Katz** *Carol Febbo | 4/14 - R3 sent letter | Mar 99 revised fs,faq, 8ex |
| BMC | | B, C, D | | **Judy Katz** *Carol Febbo | 4/14 - R3 sent letter | Mar 99 revised fs,faq, 8ex |
| SWRPC | | B, C, D | | **Judy Katz** *Carol Febbo | 4/14 - R3 sent letter | Mar 99 revised fs,faq, 8ex |
| North Carolina | Bill Holman-Asst Sec'y EP | B, C, D | | Keith | Initial call in Mar - follow up w/DC rep | |
| | | | | **Bob P.** | 3/29 - Rec'd B. Holman letter of support | |
| | | | | J.Seitz, J Hankinson | Attended 4/6-7 Gov's Summit | Mar 99 revised fs,faq, 8ex distributed |
| | | | | **Winston Smith** *Kim Bingham *Benjamin Franco | | |
| Georgia | GA Senator Cleland's staff | B, C, D | | **Winston Smith,** *Kim Bingham *Benjamin Franco | wk of 3/26 - discusses as part of Smart Growth Round Table meeting planning - to be part of 4/9 presentation at the SGRT | |
| Alabama | Mary Knight, Director, Mobile Bay Nat. Est. Prog. | B, C, D | | **Winston Smith,** *Kim Bingham *Benjamin Franco | 4/2 - Rec'd Knight e-mail to Browner | |
| Wisconsin | George Meyer - DNR Sec'y Lloyd Eagan - Air Pat Meier - Energy | B, C, D | | **Steve Rothblatt** | 4/6 - Initial e-mail | Mar 99 revised fs,faq, 8ex |
| | | | | | 4/13 - Rec'd e-mail from J. Heinrich, WI air re ideas for CAPF | |
| Minnesota | David Thornton - Air | B, C, D | | **Steve Rothblatt** | 4/6 - Initial e-mail | Mar 99 revised fs,faq, 8ex |
| Illinois | Bharat Mathur- IL EPA Air Tom Skinner - Dir, IL EPA | B, C, D | | **Steve Rothblatt** | 4/6 - Initial e-mail | Mar 99 revised fs,faq, 8ex |

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| | | | | | 4/9 - Tom Skinner letter to Browner | |
| Ohio | Bob Hodanbosi - Air | B, C, D | | **Steve Rothblatt** | 4/6 - Initial e-mail | Mar 99 revised fs,faq, 8ex |
| Michigan | D.M. Drake - Air | B, C, D | | **Steve Rothblatt** | 4/6 - Initial e-mail | Mar 99 revised fs,faq, 8ex |
| | | | | **Steve Rothblatt** | 4/20 -follow up call to Air Director | |
| Indiana | Lori Kaplan, Commisioner, IN DEM<br>J. McCabe - Air | B, C, D | ph 317-232-8603 | **Steve Rothblatt** | 4/6 - Initial e-mail | Mar 99 revised fs,faq, 8ex |
| | | | | | 4/26 - Rec'd Kaplan letter to Browner | |
| Iowa | - Env Comm<br>Pete Hamlin - Air<br>Larry Bean - Energy | B, C, D | | **Art Spratlin**<br>*Wayne Leidwanger<br>*Judith Robinson | Wk Apr 5 - Sent materials to air directors | Sent Mar 99 revised fs,faq, 8ex |
| Kansas | | B, C, D | | **Art Spratlin**<br>*Wayne Leidwanger<br>*Judith Robinson | Wk Apr 5 - Sent materials to air directors | Mar 99 revised fs,faq, 8ex |
| Missouri | Stephen Mahfood, Director<br>MO DNR | B, C, D | | **Art Spratlin**<br>*Wayne Leidwanger<br>*Judith Robinson | Wk Apr 5 - Sent materials to air directors | Mar 99 revised fs,faq, 8ex |
| | | | | | 5/3 - Rec'd Mahfood letter to Perciasepe | |
| Nebraska | | B, C, D | | **Art Spratlin**<br>*Wayne Leidwanger<br>*Judith Robinson | Wk Apr 5 - Sent materials to air directors | Mar 99 revised fs,faq, 8ex |
| Colorado | Margie Perkins, Director<br>Air Pollution Control Div | B, C, D | ph 303-692-2000 | **Dick Long** | Wk of Apr 5 - Initial call to air director. CAPF on agenda for early May meeting of all R8 state environmental directors | Sent Mar 99 revised fs,faq, 8ex |
| | | | | | 5/4 - Rec'd Perkins letter to Perciasepe | |
| Montana | | B, C, D | | **Dick Long** | Wk of Apr 5 - Initial call to air director | Sent Mar 99 revised fs,faq, 8ex |
| North Dakota | | B, C, D | | **Dick Long** | Wk of Apr 5 - Initial call to air director | Sent Mar 99 revised fs,faq, 8ex |
| South Dakota | | B, C, D | | **Dick Long** | Wk of Apr 5 - Initial call to air director | Sent Mar 99 revised fs,faq, 8ex |
| Utah | Dianne Nielson, Exec Dir<br>UT DEQ | B, C, D | ph 801-536-4400<br>fx 801-536-0061 | **Dick Long** | Wk of Apr 5 - Initial call to air director | Sent Mar 99 revised fs,faq, 8ex |
| | | | | | 5/7 - Rec'd Nielson letter to Browner | |

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| Wyoming | | B, C, D | | **Dick Long** | Wk of Apr 5 - Initial call to air director | Sent Mar 99 revised fs,faq, 8ex |
| California | Winston Hickox - Env Sec<br>Michael Kenny - CARB<br>Charles Imbrecht - CEC | B, C, D | | **David Howekamp**<br>*Michael Stenburg | wk of 3/26 - sent memo w/attachments | Mar 99 revised fs, faq, 8exs |
| | | | | **David Howekamp**<br>*Michael Stenburg | 4/7 - Rec'd Hickox letter to Browner | |
| NV, AZ | State agencies | B, C, D | | **David Howekamp**<br>*Michael Stenburg | wk of 3/26 - sent memo w/attachments | Mar 99 revised fs, faq, 8exs |
| Idaho | Air Director | B, C, D | | **David Howekamp**<br>*Michael Stenburg | April WRAP meeting - RA gave a talk on the CAPF | Mar 99 revised fs, faq, 8exs |
| | | | | **Anita Frankel - R10** | | |
| Washington | Air Director | B, C, D | | **David Howekamp**<br>*Michael Stenburg | April WRAP meeting - RA gave a talk on the CAPF | Mar 99 revised fs, faq, 8exs |
| | | | | **Anita Frankel -R10** | | |
| Oregon | Air Director | B, C, D | | **David Howekamp**<br>*Michael Stenburg | April WRAP meeting - RA gave a talk on the CAPF | Mar 99 revised fs, faq, 8exs |
| | | | | **Anita Frankel - R10** | 4/14 - Call to air agency director | |
| Alaska | | | | **Anita Frankel - R10** | | |
| **City/County & Local Organizations Group lead: Anna** | | | | | | |
| NALGEP | Ken Brown<br>Matt Ward | B, C, D | 202-636-6254 | **Keith** | Early March - Initial call | |
| | | | | **Keith, Anna** | | |
| | | | | Bob P. | Meeting - KB & MW - 2nd wk April | Mar 99 revised fs, faq, 8exs |
| ICLEI | Nancy Skinner | B, C, D | 510-540-8843 | David D., AG | 1st wk Mar - call w/Doniger | |
| | | | | **Anna, Kitty** | wk Mar 29 - follow up call | |
| USCM | Kevin McCarty | B, C, D | ph 202-293-7330<br>fx 202-293-2352 | RB, KM, HH, AG | 2/25 meeting | Feb 1 pg, examples |
| | | | | RB, **Hollis, Anna** | RB call; HH &AG follow-up visit | |

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| ICMA | William H. Hansell, Jr. | B, C, D | ph 202-289-4262<br>fx 202-962-3500 | | | |
| | | | | **Hollis, Anna** | | |
| NACo | Nicholas Keller | B, C, D | ph 202-393-6226<br>fx 202-737-0480 | **Hollis, Anna** | 5/12 - initial meeting to discuss CAPF | |
| Municipal utilities | | B, C, D | | **Keith** | | |
| New England cities | Mayors of 17 large cities | B, C, D | | **Susan Studlien**<br>*Michael Kenyon | Wk of 4/12 - RA sent letters to 17 mayors; will be followed up with a call | |
| Burlington, VT | Peter Clavelle - Mayor | B, C, D | ph 802-865-7272 | Carey, Lorie | Early March - meeting w/Jeffords staff | |
| | | | | **Susan Studlien**<br>*Michael Kenyon | | |
| NJ Cities | Don Fauerback, Exec Dir<br>NJ Conference of Mayors | B, C, D | | **Ron Borsellino**<br>*Berry Shore | 1st wk of Feb - Sent package of background info on CAPF | Background on CAPF & other envir initiatives in Pres. budget |
| NJ Munis | Bill Dressel, Jr Exec Dir<br>NJ League of Municipal. | B, C, D | | **Ron Borsellino**<br>*Berry Shore | 1st wk of Feb - Sent package of background info on CAPF | Background on CAPF & other envir initiatives in Pres. budget |
| NJ Counties | Celeste Carpino<br>NJ Assoc of Counties | B, C, D | | **Ron Borsellino**<br>*Berry Shore | 1st wk of Feb - Sent package of background info on CAPF | Background on CAPF & other envir initiatives in Pres budget |
| NJ State Legislature | Lucinda Tiajolff<br>Ofc of NJ Legislative Svcs | B, C, D | | **Ron Borsellino**<br>*Berry Shore | 1st wk of Feb - Sent package of background info on CAPF | Background on CAPF & other envir initiatives in Pres. budget |
| NY Cities | Diane Giliberto, Counsel<br>NY Conference of Mayors | B, C, D | | **Ron Borsellino**<br>*Berry Shore | 1st wk of Feb - Sent package of background info on CAPF | Background on CAPF & other envir initiatives in Pres. budget |
| NY Counties | Robert Gregory<br>NY Assoc of Counties | B, C, D | | **Ron Borsellino**<br>*Berry Shore | 1st wk of Feb - Sent package of background info on CAPF | Background on CAPF & other envir initiatives in Pres. budget |
| NY State Legis. | Julia Malliaeu, NYS Legis Program & Counsel Ofc | B, C, D | | **Ron Borsellino**<br>*Berry Shore | 1st wk of Feb - Sent package of background info on CAPF | Background on CAPF & other envir initiatives in Pres. budget |
| Baltimore, MD | Kurt Schmoke - Mayor<br>Charles Graves - Plng Dir | B, C, D | ph 410-596-3853 | Bob P. | Early March - meeting w/mayor | |
| | | | | **Judy Katz** | wk of 3/26 - Initial call | |

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| | | | | Judy Katz<br>*Carol Febbo | 4/20 - letter & materials sent to Robin Mitchell, City Planning Office | Mar 99 revised fs,faq, 8ex |
| Prince George's County, MD | Peter Shapiro, City Council 2nd District | B, C, D | ph 301-952-4436 | **Judy Katz**<br>***Carol Febbo** | 5/10 0 Rec'd Shapiro letter to Browner | |
| Philadephia,PA | Edward Rendell - Mayor<br>Patrick O'Neil, Env Affairs | B, C, D | ph 215-686-2181 | **Judy Katz** | 3/26 - Initial call | |
| Norfolk, VA | Paul Fraim - Mayor | B, C, D | ph 757-664-4679 | **Judy Katz** | 3/26 - Initial call - awaiting call back | |
| Charlotte, NC | Pat McCrory - Mayor | B, C, D | ph 704-336-2244 | Bob P. | Early March -met w/Mayor. Bob to go to Charlotte April 22-23 | |
| | | | | **Winston Smith,**<br>*Kim Bingham<br>*Benjamin Franco | | |
| RAPCA - 6 cnty apc hq'd in OH | John A. Paul, Supervisor | B, C, D | | **Steve Rothblatt** | 4/9 Rec'd Bob P. copy of Browner letter of support | |
| Detroit, MI | Dennis Archer - Mayor | B, C, D | ph 313-224-6340 | Bob P. | Early March -met w/Mayor | |
| | | | | **Steve Rothblatt** | 4/6 - Initial e-mail | Mar 99 revised fs,faq, 8ex |
| Wayne Cty MI | W. Barrott | B, C, D | | **Steve Rothblatt** | 4/6 - Initial e-mail | Mar 99 revised fs,faq, 8ex |
| Chicago, IL | Richard Daley<br>W. D. Bolt - city official | B, C, D | ph 312-744-3300 | **Steve Rothblatt** | 4/6 - Initial e-mail | Mar 99 revised fs,faq, 8ex |
| Hamilton Cty, OH | Cory Chadwick, Director Hamilton Cty Dept of Environmenal Services | B, C, D | | **Steve Rothblatt** | 4/6 - Initial e-mail | Mar 99 revised fs,faq, 8ex |
| | | | | | 4/8 - Rec'd letter from DOES to Browner | |
| Madison, WI | Susan J. M.Bauman, Mayor | B, C, D | ph 608-266-4611 | **Steve Rothblatt** | 5/11 - Rec'd letter from Bauman to Browner | |
| Tulsa, OK | Susan Savage - Mayor | B, C, D | ph 918-596-7700 | Bob P. | Early March -met w/Mayor | |
| | | | | **Tom Henderson** | | |
| Houston, TX | Lee Brown - Mayor | B, C, D | ph 713-247-2200 | Carey F. | 3/5 - Presentation to city air qual. officials | |
| | | | | **Tom Henderson** | | |

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| Ft. Worth, TX | Kenneth Barr - Mayor | B, C, D | ph 817-871-6110 | Bob P. | Early March -met w/Mayor | |
| San Antonio TX | Howard Peak - Mayor | B, C, D | ph 210-207-7060 | **Tom Henderson** | | |
| Austin, TX | Kirk Watson - Mayor | B, C, D | ph 512-499-2250 | **Tom Henderson** | | |
| Kansas City KS | Bruce Andersen | B, C, D | | **Art Spratlin**<br>*Wayne Leidwanger<br>*Judith Robinson | Wk of Apr 5 - Sent materials | Mar 99 fs, faq, 8 exs |
| CA, NV, AZ | Local agencies | B, C, D | | **David Howekamp** | wk of 3/26 - sent memo w/attachments | Mar 99 revised fs,faq, 8ex |
| SCAQMD / Los Angeles | CA State Senator Alarcon + Murray, Scheer, Tapia, Montgomery & ODonnell | B, C, D | | Keith | Initial meeting in Mar | Feb fact sheet, FAQ , examples |
| Santa Barbara County APCD | Douglas W. Allard, Air Pollution Control Officer | B, C, D | ph 805-961-8800<br>fx 805-961-8801 | D. Howekamp<br>*Michael Stenburg | 4/23 - Rec'd copy of Allard letter to Region 9 (M. Stenburg) | |
| Great Basin Unitifed APCD | Duane Ono, Dep'ty Air Pollution Control Officer | B, C, D | ph 760-872-8211<br>fx 760-872-6109 | D. Howekamp<br>*Michael Stenburg | 4/12 - Rec'd copy of Ono letter to Region 9 (M. Stenburg) | |
| Portland, OR | Vera Katz - Mayor | B, C, D | ph 503-823-4120 | Bob P. | Early March -met w/Mayor. Will be in Portland for CAAAC mtg on April 26-27 | |
| | | | | **Anita Frankel** | | |
| Seattle, WA | Paul Schell - Mayor | B, C, D | ph 206-684-4000 | **Anita Frankel** | 4/14 - call to air agency | |
| | | | | | 4/26 - Rec'd Schell ltr to Browner | |
| Seattle, WA | Dennis McLerran, Exec Dir Puget Sound APCD<br>Margaret Pageler, Board Chair, City Council | B, C, D | ph 206-343-8800<br>fx 206-343-7522 | **Anita Frankel** | 4/18 - Rec'd McLerran letter to Browner | |
| **Tribal Organizations** **Group lead: David** | | | | | | |
| Nat'l Tribal Envir. Council | Jerry Pardilla | B, C, D | ph 505-242-2175<br>fx 505-242-2654 | **David L, Keith** | | |
| CA, NV, AZ | Indian agencies | B, C, D | | **David Howekamp** | wk of 3/26 - sent memo w/attachments | Mar 99 revised fs,faq, 8ex |
| **Environmental Orgs** **Group lead: Christine** | | | | | | |

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| NRDC | David Hawkins<br>Patricio Silva | B, C, D | fx 202-289-1060 | Bob P.; Rob B. | Initial call wk of Mar 22; 3/30 - Bob e-mail | Mar 99 revised fs, faq, 8exs |
| | | | | **Christine, Carey** | | |
| | | | | Bob P. | Meeting - 2nd wk April | Mar 99 revised fs, faq, 8exs |
| EDF | Steve Cochran | B, C, D | fx 202-234-6049 | Bob P. | 3/30 - Bob e-mail | Mar 99 revised fs, faq, 8exs |
| | | | | **Christine, Lorie** | | |
| Center for Clean Air Policy | Ned Helme | B, C, D | ph 202-408-9260<br>fx 202-408-8896 | Bob P.; Rob B. | Initial call wk of Mar 22; 3/30 - Bob e-mail | Mar 99 revised fs, faq, 8exs |
| | | | | **Anna, Kitty** | 3/11 disc. @ state roundtable (KS) | |
| | | | | Bob P. | Meeting - 2nd wk April | Mar 99 revised fs, faq, 8exs |
| Nat'l Envir. Policy Institute | | B, C, D | | Bob P. | Initial call wk of Mar 22 | |
| | | | | **Keith, Christine** | 4/28-29 Spring mtg in DC - KM on agenda | |
| Nat'l Environmental Trust | Phil Clapp,<br>Patricia Kenworthy | B, C, D | fx 202-887-8877 | Bob P.; Rob B. | Initial call wk of Mar 22; 3/30 - Bob e-mail | |
| | | | | Bob P. | Meeting- PK - 2nd wk April | Mar 99 revised fs, faq, 8exs |
| | | | | **Christine, Lorie** | | |
| Clean Air Task Force | Armond Cohen | B, C, D | fx 617-292-4933 | Bob P.; Rob B. | Initial call wk of Mar 22; 3/30 - Bob e-mail | Mar 99 revised fs, faq, 8exs |
| | | | | **Anna,** | | |
| American Lung Assoc. | Blake Early | B, C, D | fx 202-452-1805 | Bob P.; Rob B. | Mar Bw/Bob; call - Mar 22; 3/30 BP email | Mar 99 revised fs, faq, 8exs |
| | | | | **Christine** | | |
| | | | | Bob P. | Meeting- 2nd wk April | Mar 99 revised fs, faq, 8exs |
| Clean Air Network | Felice Stadler<br>Jane Mardock | B, C, D | fx 202-289-1860 | Bob P.; Rob B. | Mar Bw/Bob; call Mar 22; 3/30 BP email | Mar 99 revised fs, faq, 8exs |
| | | | | **Lorie, Christine** | | |
| | | | | Bob P. | Meeting- JM - 2nd wk April | Mar 99 revised fs, faq, 8exs |
| Union of Concerned Scientists | Michelle Robinson, Alden Meyer | B, C, D | | KM, LS, AG, | Initial meeting 3/15 | |
| | | | | **Lorie, Christine** | | |

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| Alliance to Save Energy | David Nemtzow | B, C, D | ph 202-857-0666<br>fx 202-331-8722 | Bob P. | 3/30 - Bob e-mail | Mar 99 revised fs, faq, 8exs |
| | | | | **Keith, Anna** | | |
| Coalition for Clean Air | Tim Carmichael | B | ph 310-446-4362 | Bob P. | 3/30 - Bob e-mail | Mar 99 revised fs, faq, 8exs |
| Clean Air Energy Group | | B, C, D | | | | |
| Renewable Groups (SEIA, SERIF, etc) | Scott Sklar, et al | B, C, D | | | | |
| | | | | **Anna, Kitty** | 4/21 Soltech 99, Kansas City MO | |
| Ozone Attainment Coalition | Michael Bradley | B, C, D | | Bob P. | 3/30 - Bob e-mail | Mar 99 revised fs, faq, 8exs |
| | | | | **Keith** | | |
| Clean Air Trust | Leon Billings<br>Frank O'Donnell | B, C, D | ph 202-293-7800 | Bob P. | 3/30 - Bob e-mail | Mar 99 revised fs, faq, 8exs |
| | | | | **Keith** | | |
| Assoc of National Estuary Programs | Derek Busby, Chairman<br>Dawn Volk, Manager | B, C, D | | **Barbara Driscoll, OAQPS** | 4/6 - Sent info to Chairman and Manager - sent to all other Estuary Program Chairs | Mar 99 revised fs, faq, 8exs |
| | | | | | 4/6 - Rec'd D. Busby letter to Browner | |
| Indian River Lagoon Nat'l Estuary Program | Director | B, C, D | | **Barbara Driscoll, OAQPS** | 4/6 - Sent info to Director | Mar 99 revised fs, faq, 8exs |
| Physicians for Social Respons. | Robert K. Musil, Exec Dir | B, C, D | ph 202-898-0150<br>fx 202-898-0172 | | 4/6 - Rec'd copy of PSR letter to VA-HUD | |
| **Other NGOs** **Group lead: Keith** | | | | | | |
| PCSD | Marty Spitzer | B, D | | **Keith** | Town Meeting | |
| ACEEE | Howard Geller<br>Neal Elliott | B, D | | Bob P. | 3/30 - Bob e-mail | Mar 99 revised fs, faq, 8exs |
| | | | | **Anna, Kitty** | | |
| **Industry/Trade Assoc.** **Group lead: Keith** | | | | | | |

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| APPA | Bill Whimhoff<br>Rebecca Blood | B, C, D | ph 202-467-2924<br>fx | **Keith** | 3/26 - initial meeting | |
| | | | | **Keith** | 3/30 - Follow up call | |
| MECA | Bruce Burtelson | B, C, D | ph 202-296-4797<br>fx | **Keith** | 3/24 - initial meeting | |
| | | | | Lorie | Follow up call on 3/30 | Mar 99 revised fs, faq, 8exs |
| | | | | Bob P. | Received copy of 4/2 letter to Browner | |
| Institute of Clean Air Companies | Jeff Smith | B, C, D | | **Keith** | Initial call 3/29 | |
| | | | | Bob P. | Received copy of 4/1 letter to Browner | |
| Calderon Energy Co. of Bowling Green, OH | | B, C, D | | **Barbara Driscoll, OAQPS** | 4/7 - Sent info to Director | Mar 99 revised fs, faq, 8exs |
| **Federal Depts/Agencies** **Group lead: Steve** | | | | | | |
| White House | | A, B, C | | **Steve** | | |
| CC Task Force | | A, B, C | | **Steve** | | |
| OMB | | A, B, C | | **Steve** | | |
| CEQ | | A, B, C | | **Steve** | | |
| DOE | | A, B, C | | **Anna** | | |
| DOT | | A, B, C | | **Peter** | | |
| HUD | | A, B, C | | **Anna** | | |
| USDA | | A, B, C | | | | |
| DOI | | B | | **Anna** | | |
| **Congressional Orgs** | | | | | | |
| SEPW | | B, D | | **Lorie** | | |
| Appropriations | | B, D | | **Lorie** | | |
| S. En /Nat. Res | | B, D | | **Lorie** | | |

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| Renewables Caucus | | B, D | | **Lorie** | | |

**Tier 2TABLE 3**

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| **States & Organizations** | | | | | | |
| Council of State Gov'ts | | | | | 4/15-18 meeting | |
| California Energy Comm. | | | | | | |
| National Governor's Assoc. | | | | | | |
| Northeast-Midwest Coalition | | | | | | |
| Maine | | | | Bill White | 4/7 - Global Climate Change Program | |
| Georgia DNR | | | | | | |
| **City-Local Organizations** | | | | | | |
| Chamber of Commerce | | | | | | |
| Lowell, MA | Chris Biggs | B,C,D | ph 978-275-1725 | Keith | Initial call 3/29 - discussed light rail idea | |
| Montgomery County, MD | | | | | | |
| Chattanooga/Hamilton, TN | | | | | | |
| Portland, OR | | | | | | |
| Houston, TX | | | | | | |
| Indianapolis, IN | | | | | | |
| Jefferson City, MO(?) | | | | | | |
| Miami, FL | | | | | | |
| Cincinatti, OH | | | | | | |
| **Environmental Orgs** | | | | | | |
| Pew Charitable Trust | | | | | | |

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| US PIRG | Rebecca Stanfield | | ph 202-546-9707 | Bob P. | Mar Bw/Bob; 3/30 Bob e-mail | Fact sheet, faq, 8ex |
| World Resources Institute | Jonathan Lash | B,C,D | ph 202-662-2511 | Bob P. | 3/30 Bob e-mail | Fact sheet, faq, 8ex |
| Sierra Club | Kathryan Hohmann | | ph 202-547-6009 | Bob P. | 3/30 Bob e-mail | Fact sheet, faq, 8ex |
| APHA | | | | | | |
| Environmental Working Group | John Coequyt | | 202-667-6982 | Bob P. | Mar Bw/Bob; 3/30 Bob e-mail | Fact sheet, faq, 8ex |
| League of Conservation Voters | Betsy Loyless | | ph 202-835-0491 | Bob P. | 3/30 Bob e-mail | Fact sheet, faq, 8ex |
| Nat'l Parks & Conserv. Assoc. | Tom Kiernan | | ph 202-659-0650 | Bob P. | 3/30 Bob e-mail | Fact sheet, faq, 8ex |
| Inst.for Energy & Env Res. | | | | | | |
| Environmental Law Institute | Jay Pendergrass Elissa Parker Susan Keiner | B,C,D | | Bob P. | Mar Bw/Bob; 3/30 Bob e-mail | Fact sheet, faq, 8 ex |
| | | | | **Hollis,** Keith | Initial meeting 4/1 | Fact sheet, faq, examples |
| Trout Unlimited | Pete Rafle | | ph 703-284-9400 | Bob P. | 3/30 Bob e-mail | Fact sheet, faq, 8ex |
| **Other NGOs** | | | | | | |
| ASHTO | | | | Peter | 3/21-25 Comm. on the Envir. meeting | |
| NADO | | | | | 4/18-20 Washington policy conference | |
| American Planning Assoc | | | | | 4/24-28 | |
| Consumer Fed. of America | | | | | | |
| Surface Transp. Policy Proj. | | | | | | |

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| Nuclear Info Resource Service | Diane D'Arrigo | | 202-328-2002 | Bob P. | Mar Bw/B; 3/30 Bob e-mail | Fact sheet, faq, 8ex |
| Public Citizen | Auke Pierma | | 202-546-4996 | Bob P. | Mar Bw/B; 3/30 Bob e-mail | Fact sheet, faq, 8ex |
| AFL-CIO | | | | | | |
| OMB Watch | | | | | | |
| Gen'l Board of Church & Soc. | | | | | | |

**Questions for the Record**
**Senator Bond**
**VA/HUD Appropriations**

**Clean Air Partnership Fund**
Draft -- 5/27/99

Q: **Concerning the "Clean Air Partnership Fund", I am not sure how this compares with the state grants programs. It appears to be another $200 million on top of the $215 million provided to states and tribes for air quality programs. How are the programs under this new Partnership Fund different from what is done under state and tribal grants by the air program? What demonstrated need exists now for developing "partnerships" on air quality problems or programs? If so, give me some examples? What air problems do you expect will be addressed by these partnerships among local, state, tribal, and federal governments and the private sector?**

A. State and tribal grants are awarded under Section 105(a)(1) of the Clean Air Act which authorizes grants for the implementation of programs for the prevention and control of air pollution and the implementation of national air quality standards. In contrast, if funds are appropriated for the Clean Air Partnership Fund, those funds will be awarded under Section 103(b) of the Clean Air Act which authorizes grants for research, investigations, experiments, demonstrations, surveys and studies. Awards will be made to support individual innovative demonstration projects such as those that address reductions in multiple air pollutants (e.g. more than one type of air pollution), not to implement ongoing State and tribal air pollution prevention and control programs. Traditionally, air programs (and grants to support them) have pursued solutions to one air pollution problem at a time. With the multiple air quality challenges facing states and private entities, this problem-by-problem approach is no longer optimal. The Clean Air Partnership Fund is designed to support demonstration projects and technologies that can simultaneously address multiple air pollution problems.

EPA's believes that only through partnerships of government, private sector and non-governmental entities will sustained progress towards eliminating significant air pollution problems occur. Partnerships of all kinds are necessary and the Clean Air Partnership Fund will provide a catalyst for their formation. For example, addressing regional air quality problems such as ozone nonattainment requires states and municipalities to partner with each other to formulate regional air quality improvement strategies. In another example, transportation planners and air quality planners must work together to establish transportation management systems that further air quality improvement rather than exacerbate pollution. Similarly, there is a need to encourage state energy officials to form partnerships with local housing authorities to expand low income weatherization assistance in ways that improve energy conservation and reduce air pollution. In yet another example, to realize the potential benefits of reducing multiple pollutants through use of new technologies, private sector technology providers need to partner with municipal and state governments to demonstrate the capabilities of their clean air technologies and expand their market share.

EPA anticipates that the Fund will address the full spectrum of air quality problems including but not limited to: criteria air pollution such as particulate matter and ozone nonattainment; regional haze or visibility impairment; air toxics; indoor air pollution; and global air pollution problems such as stratospheric ozone depletion and climate change.

**Questions for the Record**
**SENATOR BOND/CRAIG**
**VA/HUD Appropriations**

**Clean Air Partnership Fund**

**Q.7. EPA is requesting $200 million for a new Clean Air Partnership Fund for grants to cities, states and tribes together with the private sector to demonstrate ways to reduce air pollution. How did EPA establish $200 million as the amount requested for the fund?**

A.7. EPA is requesting $200 million in FY 2000 for the Clean Air Partnership Fund based on years of discussions with potential grants recipients concerning the air quality improvement challenges they face. The $200 million request will provide a significant new source of support for integrated air quality improvement demonstrations that currently are not being implemented.

**Q3.4 Under what authority does EPA plan to administer the $200 million "Clean Air Partnership Fund for both "air pollution and greenhouse gas" programs? What is the authority to achieve "reductions" under this program?**

A 3.4 Section 103 of the Clean Air Act provides the statutory authority necessary for the award of financial assistance to support activities that would be undertaken as part of the Clean Air Partnership Fund program. Section 103 requires the Administrator to establish a "national research and development program for the prevention and control of air pollution." As part of this program, section 103(a)(1) requires the Administrator to "conduct, and promote the coordination and acceleration of, research, investigations, experiments, demonstrations, surveys, and studies relating to the causes, effects (including health and welfare effects), extent, prevention, and control of air pollution." Section 103(b)(3) authorizes the Administrator to make grants to support the activities listed in section 103(a)(1). The section 103(b)(3) grant authority thus includes the authority to fund demonstration projects, as well as related studies and investigations, such as those that would be supported through the Clean Air Partnership Fund program.

**Q. 3.5 Under what authority will EPA achieve "integrated reductions" under this program? Is EPA using any authority to control pollutants to attempt to curb CO2 emissions?**

A. 3.5 As state in response to Question 3.4, section 103 of the Clean Air Act provides the statutory authority necessary for the award of financial assistance to support Clean Air Partnership Fund activities. These activities will produce some immediate direct pollution reductions, as a result of experiments with and demonstrations of innovative, multi-pollutant approaches to achieving cleaner air.

The Clean Air Partnership Fund will be a grants program designed to help local, state and tribal governments demonstrate innovative, multi-pollutant approaches to achieving cleaner air. The Fund is designed to address many types of air pollutants of which $CO_2$ is only one pollutant. EPA is not controlling other pollutants for the purpose of reducing $CO_2$ emissions.

**Q 3.6 What gases are covered under EPA's definition of "greenhouse gases"? Does it include water vapor, the largest greenhouse gas?**

A. 3.6 EPA considers greenhouse gases to be gases which, when added to the earth's atmosphere, contribute to warming of the earth through absorption of infrared (i.e., thermal) radiation. Greenhouse gases include carbon dioxide, nitrous oxide, methane, hydrofluorocarbons, perfluorinated compounds, and sulfur hexafluoride. When referring to "greenhouse gases," EPA does not generally intend to refer to water vapor.

**Questions and Answers Prepared for**
**David Gardiner's Testimony before House on Climate Change**
5/20/99

**Q: My understanding is that the Clean Air Partnership Fund is designed to respond to the needs of state, local and tribal governments as they work to reduce traditional air pollutants like ozone, particulate matter and air toxics. What have you heard from state and local governments about the Clean Air Partnership Fund?**

**A:** We have talked to a large number of representatives of state, local and tribal governments, and have had a uniformly positive response from officials across the country -- California, Washington, Illinois, Ohio, Indiana, New Hampshire, New Jersey to name a few. And that is no surprise.

1. The program is designed to respond to a growing need voiced by state and local governments to take a more integrated approach to controlling emissions. For example, in supporting the program, the Director of the New Hampshire Department of Environmental Services notes that "The design of the CAPF appears to draw much of its inspiration directly from state and local ideas to maximize environmental and public health protection at the lowest possible cost."

The Puget Sound Air Pollution Control Agency commented that the CAPF "allows local flexibility to develop strategies tailored to local conditions" and that it "will be highly effective and fits neatly with our regional needs"

2. Many states and regional agencies are excited that the program focuses on innovative, non-regulatory approaches. As the Commissioner of the Indiana Department of Environmental Management said, "There are many worthwhile projects that could be pursued with this type of funding, earmarked for innovative, partnering activities between the public and private sectors."

3. They have a need for additional funding. California's Secretary for Environmental Protection noted that "additional resources are needed to get the job done by Clean Air Act deadlines."

With your permission, I would like to submit for the record the full text of these and other letters we have received in support of the Fund.

**Q: Although much progress has been made in improving air quality, we still face significant challenges especially in urban areas. Could you please explain how the Clean Air Partnership Fund will help state, local and tribal governments meet these traditional, core air quality needs?**

A: We are proud of the progress that has been made in improving the air quality of our nation, but also recognize that more needs to be done to provide our communities with healthy air. As we move into the next century, we believe that the CAPF provides a new tool that allows states and local agencies greater flexibility and resources to build on their progress to date in a more integrated and more cost effective manner.

**Q. EPA's new ambient air quality standards for particulates and ozone were just struck down by the courts. Given that one important reason for the CAPF was to provide resources for meeting these new ambient air quality standards, why should we go forward now with this initiative?**

A: While the issue of revising our ambient air standards will play out in the courts over the next many months, we cannot lose sight of the need to improve the air quality in our cities and to reduce the level of toxics we breath. Nothing in the court decision suggests that this job is done. The CAPF will become an important and cost effective tool for state and local agencies and tribes to use regardless of the specific standard.

**Q: The Agency already provides significant funding to state, tribal and local governments for their air quality programs. Why is it necessary to establish a new, $200 million fund for additional air quality programs?**

A: This program is aimed at leveraging both additional public and private sector resources and should provide a bigger bang for our limited federal dollars. The challenges facing state and local agencies and tribes are substantial. By spurring innovation and partnerships, and providing a mechanism for achieving cost effective reductions across programs, this fund should in the long run result in a substantial savings for government and the public.

**Q. Does the Administration consider the Clean Air Partnership Fund a climate change program?**

A: No. It's first objective is to achieve reductions in traditional air programs such as smog and air toxics. However, by stimulating actions that attack multiple pollutants, we believe that a substantial side-benefit will be reductions in greenhouse gas emissions. This is fully consistent with the long-standing "no-regrets" approach to reducing greenhouse gas emissions as a side benefit to taking actions that achieve other environmental goals.

**Q: The Clean Air Partnership Fund was announced with no details -- no specific goals, no criteria, no performance measures -- do you really expect Congress to just give you a blank check for $200 million?**

A: When the Partnership Fund was announced, we stated that it would provide funding to state, local and tribal governments for demonstration projects that control multiple pollutants simultaneously, leverage the original Federal funds, facilitate meaningful public involvement, and provide innovative approaches that could be replicated in other areas.

You are correct that we did not provide all the details when it was announced.

-- That is because we thought it was important to get input from potential grant recipients and other interested parties to ensure that we develop a program that meets the needs of state, local, and tribal governments.

-- Over the last few months, we have been discussing this program with a number of parties.

-- We will soon have a detailed draft framework to provide to all interested parties. This will give you and others a better understanding of the program. It will also help interested parties focus their input on program design elements.

**Q: Isn't the Clean Air Partnership Fund back door implementation of Kyoto?**

A: Absolutely not. The proposed Fund is not designed in any way to implement the Kyoto Protocol. It does not create any binding obligations for greenhouse gas reductions, or for that matter, new obligations for reductions in any other programs.

As you the Administration has committed not to implement Kyoto without the advice and consent of the Senate.

At the same time, EPA believes, and Congress has agreed, that it makes sense to undertake a wide variety of voluntary programs (such as programs aimed at improving energy efficiency) that reduce smog, particulate matter, and other air pollutants as well as greenhouse gases.

-- Congress has consistently approved funding for such voluntary programs.

-- EPA, with support from many state and local officials, sees great value in facilitating such multi-pollutant programs.

-- Industry has identified the need to tackle emissions in an integrated manner to achieve the biggest bang for their emission reduction expenditures

-- The Administration has proposed the Fund to help state, local or tribal governments that chose to pursue programs with similar objectives.

The Administration believes the Fund would be an appropriate way to move forward to reduce air pollution in common-sense, cost effective ways without in any manner implementing the Kyoto Protocol prior to Senate ratification.

**Q: Isn't the Clean Air Partnership Fund merely a way for EPA to encourage state and local government regulation of greenhouse gases because you can't regulate those emissions yourself?**

A: The Clean Air Partnership Fund would not encourage regulation.

To the contrary, the Fund is designed to provide resources that state, local and tribal governments could use to pursue non-regulatory approaches to air pollution control.

-- Providing funding for non-regulatory approaches is one element that differentiates the Partnership Fund from other grants EPA provides the states for air quality programs.

**Q: Won't the Clean Air Partnership Fund encourage states to get reductions in greenhouse gas emissions?**

A: The Fund will encourage states to try new, multi-pollutant strategies for controlling air pollution -- industry, environmentalists, and state, local, and tribal governments have all been saying for some time that multi-pollutant approaches should be more efficient and cost-effective than the traditional, one-pollutant-at-a-time approach. This may encourage state, local or tribal governments that wish to pursue some cost-effective strategies that achieve reductions in traditional air pollutants, while at the same time achieve collateral greenhouse gas benefits.

**Q: What is the legal authority for Clean Air Partnership Fund?**

A: The Fund is a grant program that is authorized by section 103 of the Clean Air Act.

EPA's grant making authority in section 103 is in section 103(b)(3), which authorizes EPA to make grants for purposes stated in section 103(a)(1).

Under section 103(a)(1), the Administrator is to establish a national research and development program, under which the Administrator shall "promote the coordination and acceleration of, research, . . . experiments, demonstrations, surveys and studies relating to the causes, . . . extent, prevention and control of air pollution."

The Fund would carry out the purposes of section 103(a)(1) by providing funds for demonstration projects relating to the causes, extent, prevention and control of air pollution.

**Q: Does the Agency have authority to fund demonstration projects that reduce greenhouse gas emissions?**

A: Yes. Section 103 authorizes us to fund demonstration projects for the prevention and control of air pollution. It does not limit funding to a specific program area.

**Q: What portion of the Clean Air Partnership Fund is for reducing air pollution and what portion is for reducing greenhouse gas emissions?**

A: The entire Clean Air Partnership Fund is for demonstration projects to support programs to achieve integrated reductions in emissions of air pollutants. Eligible projects must address more than one pollutant. The Fund is not subdivided by type of pollutant.

**Q: Why is it more important to spend $200 million on the Clean Air Partnership Fund when a proven, necessary program like the state water revolving fund has been proposed for a cut of $550 million?**

A: There is no connection between the President's new Clean Air Partnership Fund request of $200M and the $550M decrease to the Clean Water State Revolving Fund in the FY 2000 President's Budget.

The $200M request to establish the Clean Air Partnership Fund is a new initiative that will provide resources for states, cities, and tribes to reduce soot, smog, air toxics, and greenhouse gases that contribute to climate change. The Clean Air Partnership Fund will provide communities nationwide the resources they need to achieve their clean air goals sooner.

The request for the Clean Air Partnership Fund does not offset the reduction to the Water Revolving Fund.

The Agency's $800M FY 2000 Clean Water State Revolving Fund request is consistent with the Administration's long-term capitalization schedule for this fund. In the FY 1999 President's Budget the Administration projected $800M for the CWSRF in the FY 2000 outyear.

The Administration is honoring and expanding its commitment to the states to capitalize the Clean Water SRF at a level that will allow them to provide an average of $2 billion in annual financial assistance over the long-term. The FY 2000 President's Budget calls for a cumulative additional capitalization of $2.4 billion in fiscal year 2003-2005 beyond what is required to reach the original Administration commitment.

**Q: Given existing programs run by EPA, the Department of Energy and the Department of Transportation -- including TEA-21, CMAQ and Energy Star -- won't the Clean Air Partnership Fund duplicate other efforts?**

A: No. No other program has the goal of furthering multi-pollutant strategies to reduce air pollution. These other programs are targeted at specific technologies or sectors. this would be the only program aimed specific at local and agencies responsible for meeting air quality goals that provides them a flexible tool that they can shape to meet the unique needs of their communities, states and regions.

**Questions for the Record**
**Senator Burns**
**VA/HUD Appropriations**

**Clean Air Partnership Fund**
Draft -- 5/27/99

Q: **Concerning the "Clean Air Partnership Fund", I am not sure how this compares with the state grants programs. It appears to be another $200 million on top of the $215 million provided to states and tribes for air quality programs. How are the programs under this new Partnership Fund different from what is done under state and tribal grants by the air program? What demonstrated need exists now for developing "partnerships" on air quality problems or programs? If so, give me some examples? What air problems to you expect will be addressed by these partnerships among local, state, tribal, and federal governments and the private sector?**

A. The Clean Air Partnership Fund, if appropriated, will be administered under Section 103 of the Clean Air Act. One of the selection criteria for the projects and programs that will be funded through the Clean Air Partnership Fund will be their ability to demonstrate reductions of *multiple* air pollutants (e.g. more than one type of air pollution). This selection criteria is one of the main features that distinguishes the Clean Air Partnership Fund from other grants programs. All entities, be they private or public, realize the necessity to pursue air quality improvement programs in an integrated perspective. Traditionally, air programs (and grants to support them) have pursued solutions to one air pollution problem at a time. With the multiple air quality challenges facing states and private entities, this problem-by-problem approach is no longer optimal. The Clean Air Partnership Fund is designed to demonstrate projects and technologies that can simultaneously address multiple air pollution problems.

In terms of the need for partnerships to address air quality problems or programs, it is EPA's belief that only through partnerships of government, private sector and non-governmental entities, will sustained progress towards eliminating significant air pollution problems occur. Partnerships of all kinds are necessary and the Clean Air Partnership Fund will provide a catalyst for their formation. For example, states and municipalities must partner with each other to formulate regional air quality improvement strategies for regional air quality problems such as ozone nonattainment. For example, transportation planners and air quality planners must work together to establish transportation management systems that further air quality improvement rather than exacerbate it. For example, state energy officials must partner with local housing authorities to expand low income weatherization assistance in ways which improve energy conservation and reduce air pollution. For example, private sector technology providers must partner with municipal and state governments to demonstrate the capabilities of their clean air technologies and expand their market share.

EPA anticipates that the Fund will address the full spectrum of air quality problems including but not limited to: criteria air pollution such as particulate matter and ozone nonattainment; regional haze or visibility; air toxics; indoor air pollution; and global air pollution such as stratospheric ozone and climate change.

**Questions for the Record**
**Senator Bond**
**VA/HUD Appropriations**

**Clean Air Partnership Fund**

**Q.7. EPA is requesting $200 million for a new Clean Air Partnership Fund for grants to cities, states and tribes together with the private sector to demonstrate ways to reduce air pollution. How did EPA establish $200 million as the amount requested for the fund?**

A.7. EPA is requesting $200 million in FY 2000 for the Clean Air Partnership Fund based on years of discussions with potential grants recipients concerning the air quality improvement challenges they face. The $200 million request will provide a significant new source of support for integrated air quality improvement demonstrations that currently are not being implemented.

SENATE EPW FOLLOW-UP QUESTIONS AND DRAFT ANSWERS FROM EPA
4/2/99
**Chairman Chafee Questions**

1. Clean Air Partnership Fund

The President has proposed the "Clean Air Partnership Fund," a $200 million grant program divided between two EPA objectives: $66.7 million to "reduce emissions of air toxics" and $133.3 million to "attain the NAAQS for ozone and particulate matter."

The Agency has stated that the money from the fund will be targeted toward "multipollutant control strategies." But, since we do not know how the grants will be administered, the environmental benefits are not clear. For example, the EPA is planning to use the Fund to help achieve its air toxic reduction goal. But, if states do not submit projects that target toxics, then the air toxics program is adversely impacted.

A. "What is the money in this Fund going to be used for?"

The Clean Air Partnership Fund will be used to provide grants to local and state governments, tribes and multi-state organizations to demonstrate ways to reduce pollution. The Clean Air Partnership Fund will support research, development and demonstration projects that: (1) control multiple air pollution problems simultaneously; (2) leverage the original Federal funds; (3) facilitate meaningful public involvement; and (4) provide innovative approaches to air pollution control that could be replicated in other cities and states. For example, grants could be awarded for demonstration projects in the following areas:

- Partnership funds could help provide start-up capital for municipalities to establish programs to convert existing diesel fleets of school and transport buses to cleaner fuels.

- Partnership funds could help local entities establish home energy efficiency investment loan funds. Cost savings could allow borrowers to repay loans and provide an ongoing source for future demonstrations. Reducing energy use in homes will demonstrate simultaneous reductions in local soot, smog and air toxics and greenhouse gas emissions.

- Partnership funds could be used to demonstrate incentives for utilities to generate cleaner electricity. Increased use of combined heat and power and natural gas combined-cycle electricity generation will yield criteria pollutant, air toxic and greenhouse gas emission reductions.

- Partnership funds could support local revolving loan funds to finance the demonstration of energy efficient retrofits for local and state agency buildings. public schools, hospitals and private industry. Energy efficient retrofits could provide integrated early reductions of air pollution. The cost savings realized from lower energy bills would allow borrowers to repay the loans and provide an ongoing source of funding for future innovative investments.

- Partnership funds could help states and municipalities develop in demonstrating the use of tax credits for innovative air pollution control technology investments.

- Partnership funds could be used to help stimulate demand for renewable sources of energy. Certain renewable energy sources such as fuel cells, photovoltaics, wind and geothermal provide ideal integrated air pollution control technologies.

B. "Please define "innovative" and "optimal, multi-pollutant control strategies."

In the context of the Clean Air Partnership Fund, "innovative" can generally be defined to refer to a new or different way to address air pollution control and prevention. The innovation may come in a variety of ways: the financial mechanisms used, the institutional or organizational arrangements established, or the technology developed or applied.

In the context of the Clean Air Partnership Fund, "optimal, multi-pollutant control strategies" can generally be defined as air pollution control and prevention strategies that address more than one air pollution problem simultaneously. To the degree that an air pollution control and prevention strategy is more successful than other strategies in addressing more than one air pollution problem simultaneously, then it is optimal.

C. Why is it more prudent to spend $66 million on these grants rather than completing the MACT regulations?

EPA is not planning on spending $66 million on the Partnership Fund instead of completing the MACT regulations. EPA intends to meets its statutory obligations and is exploring options to complete the MACT regulations by the MACT "hammer date" of May 15, 2002.

Our budget request for the Clean Air Partnership Fund represents EPA's and the Administration's judgment that there are critical state and local air quality protection programs that need funding at this level. Similarly, our air toxics budget request represents EPA's and the Administration's judgment on the appropriate level of funding for air toxics control that most effectively protects public health. For a discussion of EPA's air toxics budget request, please refer to our answer to Question 2 below.

The Clean Air Partnership Fund will fund demonstrations that will result in reductions in all categories of air pollution, including air toxics. EPA is well aware of the significant needs on the local level to implement successful urban air toxics programs. New air toxic resources, including additional monitoring and more comprehensive modeling, will provide more information to local areas about the importance of developing strategies to reduce air toxics. We agree that the MACT program has been successful; the program remains a critical part of our national air toxics program. In fact, we are increasing our overall funding for air toxics and will continue to fund development of MACT regulations. We also believe that there is a need to develop and implement innovative local solutions to local urban air toxics issues. The Clean Air Partnership Fund provides such a mechanism.

D. Will priority be given to nonattainment areas or specific geographic regions?

After the appropriation is enacted, EPA will develop and issue a Solicitation for Proposals and appropriate guidance containing all criteria by which grants under the Fund will be made. Certainly, a demonstration of air quality need will be one of those criteria and priority will be given to those proposals demonstrating specific needs. Attainment of the ambient air quality standards is certainly an important air quality goal and it is expected that this will be reflected in a meaningful way in the final selection criteria. At this time EPA does not intend to prioritize one specific geographic region over another independent of a consideration of a specific geographic region's needs.

## *Senator Inhofe Questions*

Clean Air Partnership Fund

1. Please provide a statutory justification for the use of section 103 of the Clean Air Act to fund this program. Include detailed past examples of the use of this section.

   Section 103 of the Clean Air Act provides the statutory authority necessary for the award of financial assistance to support activities that would be undertaken as part of the Clean Air Partnership Fund program. Section 103 requires the Administrator to establish a "national research and development program for the prevention and control of air pollution." As part of this program, Section 103(a)(1) requires the Administrator to "conduct, and promote the coordination and acceleration of, research, investigations, experiments, demonstrations, surveys, and studies relating to the causes, effects (including health and welfare effects), extent, prevention and control of air pollution." Section 103(b)(3) authorizes the Administrator to make grants to support the activities listed in Section 103(a)(1). The Section 103(b)(3) grant authority thus includes the authority to fund demonstration projects, as well as related studies and investigations, such as those that would be supported through the Clean Air Partnership Fund program.

Examples of the past use of Section 103 include:

   A grant to the Tahoe Regional Planning Agency (TRPA) to help fund a coordinated transit system intended to reduce air pollution from mobile sources in the Lake Tahoe, Nevada region.

   A grant to the Northeast States for Coordinated Air Use Management for a heavy-duty diesel retrofit implementation planning and in-use testing project.

   A grant to the Association of Small Business Development Centers for an energy efficiency education and outreach program for small business.

   A grant to the American Public Power Association to investigate remaining barriers to the use of landfill gas energy.

2. Please provide examples of the projects that are envisioned for this program.

   The Clean Air Partnership Fund will be used to provide grants to local and state governments, tribes and multi-state organizations. The Clean Air Partnership Fund will support demonstration projects that: (1) control multiple air pollution problems simultaneously; (2) leverage the original Federal funds; (3) facilitate meaningful public involvement; and (4) provide innovative approaches to air pollution control that could be replicated in other cities and states. For example grants could be awarded for demonstration projects in the following areas:

- Partnership Funds could help provide start-up capital for municipalities to establish programs to convert existing diesel fleets of school and transport buses to cleaner fuels.

- Partnership Funds could help local entities establish home energy efficiency investment loan funds. Reducing energy use in homes will demonstrate simultaneous reductions in local soot, smog and air toxics and greenhouse gas emissions.

- Partnership Funds could be used to demonstrate incentives for utilities to generate cleaner electricity. Increased use of combined heat and power and natural gas combined-cycle electricity generation will yield criteria pollutant, air toxic and greenhouse gas emission reductions.

- Partnership Funds could support the establishment of local revolving loan funds to finance the demonstration of energy efficient retrofits for local and state agency buildings, public schools, hospitals and private industry. Energy efficient retrofits could provide integrated early reductions of air pollution. The cost savings realized from lower energy bills would allow borrowers to repay the loans and provide an ongoing source of funding for future innovative investments.

- Partnership funds could help states and municipalities in demonstrating the use of tax credits for innovative air pollution control technology investments.

- Partnership Funds could be used to help stimulate demand for renewable sources of energy. Certain renewable energy sources such as fuel cells, photovoltaics, wind and geothermal provide ideal integrated air pollution control technologies.

3. Please provide a list of all types of groups or organizations which would qualify for funds under this program.

   Entities eligible for grants through the Partnership Fund include local and state governments, tribes and multi-state organizations. Specific eligibility criteria will be included as part of the Solicitation of Proposals which will be issued by EPA after Congressional appropriation of the FY 2000 budget. Section 103 grant recipients can in turn use funds to support activities of other public or nonprofit agencies, institutions, and organizations, as well as join with private sector entities..

Possible Questions for Rob Brenner, OAR in preparation for House Science Subcommittee Hearing

**Q:** **The appropriations language says that the President is requesting "$200,000,000 for a clean air partnership fund demonstration program under section 103 of the Clean Air Act to support programs to achieve early, integrated reductions in emissions of air pollutants, including local revolving funds and other mechanisms for leveraging non-Federal resources." Doesn't the phrase "to achieve reductions in emissions" exceed the authority EPA has under section 103?**

A: No. The language you quoted provides additional specificity, but does not provide exceed the authority of Section 103. All Clean Air Partnership Fund grants will be for demonstrations, which are explicitly authorized by Section 103.

**Q:** **Is EPA relying on all of section 103 for the Clean Air Partnership Fund grants? Or just on section 103(b)(3)?**

A: EPA is utilizing the grant making authority of Section 103. That authority is specifically contained within Section 103 (b) (3). 103 (b)(3) authorizes EPA to make grants to fulfill purposes stated in subsection (a)(1) of Section 103.

Background:

The budget langauage refers to section 103 -- it does not specify 103(b)(3). Congressional appropriators usually never specify a subsection.

-- Section 103(b)(3) allows us to make grants for the purposes set out in section 103(a)(1).
-- Section 103(a)(1)'s purposes cover (albeit in general terms) the purposes of the Partnership Fund.
-- 103(g) is the only other section that people have asked about:

Section 103(g) states that in carrying out Section 103(a) the Administrator "shall conduct a basic engineering research and technology program . ." and then describes what should be included in the program. Section 103(b)(3) authorizes the Administrator to award grants for the purposes set forth in Section 103(a)(1). Because Section 103(g) refers to carrying out Section 103(a), for which grants in turn can be made under (b)(3), there is a link between 103(g), 103(a) and 103(b)(3), and thus the authority under Section 103(b)(3) allows us to award grants for the activities listed in Section 103(g).

-- 103(g) is of particular interest because it talks about nonregulatory strategies for reducing multiple pollutants, including carbon dioxide.

-- 103(g) may be of particular interest to the Science Subcommittee because they (rather than Commerce) may have jurisdiction over it

Q: **Is this a regulatory program?**

A: No. Its a grant program designed to help local, state and tribal governments demonstrate innovative, multi-pollutant approaches to achieving cleaner air.

Q: **But couldn't this be used to fund state and local regulation of greenhouse gases?**

A: This is not designed to be a regulatory program at any level of government. It is a grant program designed to meet the need for funding that we've heard about from local, state and tribal governments for innovative approaches to clean the air

Q: **Are you telling me that the Fund would not be used to provide money for state or local regulation?**

A: That's not a purpose of the Fund. However, there may be cases where a grant recipient needs to assess and perhaps modify existing local regulations to facilitate the purpose of the grant. For example, if a city is setting up a revolving fund for purposes of clean air investments, it is likely that their financial authority may have to address the legal and regulatory specifics allowing them to set up such a financial mechanism. Or, if a city is utilizing the Fund to help convert existing diesel buses to clean fuels, it may need to modify contractual purchase agreements that authorize such transportation investments.

Q: **Isn't this really implementing Kyoto through the back door?**

A: No. First, the Fund is designed to reduce many pollutants besides greenhouse gases. Second, as you know, EPA is not seeking to implement the Kyoto Protocol before the Senate has provided its advice and consent to ratification. To the extent that the Fund would reduce greenhouse gases, it really is an extension of our current voluntary programs. EPA believes it is important to recognize that actions, such as EPA's voluntary energy efficiency programs and the Clean Air Partnership Fund, that would have the effect of reducing, or are intended to reduce greenhouse gases covered by the Kyoto Protocol, do not necessarily implement the Kyoto Protocol. These programs are authorized under the Clean Air Act and make sound environmental and economic sense. Most of EPA's voluntary programs long predate negotiation of the Kyoto Protocol. They were developed to meet the existing U.S. commitments to reduce greenhouse gas emissions under the Framework Convention on Climate Change, which the Senate voted unanimously to ratify in 1992. While the Clean Air Partnership Fund is largely focused on developing innovative approaches to multi-pollutant emission reductions, of which greenhouse gases are only one component, to the extent that it addresses greenhouse gases the Clean Air Partnership Fund has the same purposes and effect as the rest of EPA's voluntary programs. These programs are not intended to and do not implement the Kyoto Protocol.

Possible Questions for Rob Brenner, OAR in preparation for House Science Subcommittee Hearing

Q: **The appropriations language says that the President is requesting "$200,000,000 for a clean air partnership fund demonstration program under section 103 of the Clean Air Act to support programs to achieve early, integrated reductions in emissions of air pollutants, including local revolving funds and other mechanisms for leveraging non-Federal resources." Doesn't the phrase "to achieve reductions in emissions" exceed the authority EPA has under section 103?**

A: No. The language you quoted provides additional specificity, but does not provide exceed the authority of Section 103. All Clean Air Partnership Fund grants will be for demonstrations, which are explicitly authorized by Section 103.

Q: **Is EPA relying on all of section 103 for the Clean Air Partnership Fund grants? Or just on section 103(b)(3)?**

A: EPA is utilizing the grant making authority of Section 103. That authority is specifically contained within Section 103 (b) (3). 103 (b)(3) authorizes EPA to make grants to fulfill purposes stated in subsection (a)(1) of Section 103.

Background:

The budget langauage refers to section 103 -- it does not specify 103(b)(3). Congressional appropriators usually never specify a subsection.

-- Section 103(b)(3) allows us to make grants for the purposes set out in section 103(a)(1).
-- Section 103(a)(1)'s purposes cover (albeit in general terms) the purposes of the Partnership Fund.
-- 103(g) is the only other section that people have asked about:

Section 103(g) states that in carrying out Section 103(a) the Administrator "shall conduct a basic engineering research and technology program..." and then describes what should be included in the program. Section 103(b)(3) authorizes the Administrator to award grants for the purposes set forth in Section 103(a)(1). Because Section 103(g) refers to carrying out Section 103(a), for which grants in turn can be made under (b)(3), there is a link between 103(g), 103(a) and 103(b)(3), and thus the authority under Section 103(b)(3) allows us to award grants for the activities listed in Section 103(g).

-- 103(g) is of particular interest because it talks about nonregulatory strategies for reducing multiple pollutants, including carbon dioxide.

-- 103(g) may be of particular interest to the Science Subcommittee because they (rather than Commerce) may have jurisdiction over it.

**Q: Is this a regulatory program?**

A: No. Its a grant program designed to help local, state and tribal governments demonstrate innovative, multi-pollutant approaches to achieving cleaner air.

**Q: But couldn't this be used to fund state and local regulation of greenhouse gases?**

A: This is not designed to be a regulatory program at any level of government. It is a grant program designed to meet the need for funding that we've heard about from local, state and tribal governments for innovative approaches to clean the air.

**Q: Are you telling me that the Fund would not be used to provide money for state or local regulation?**

A: That's not a purpose of the Fund. However, there may be cases where a grant recipient needs to assess and perhaps modify existing local regulations to facilitate the purpose of the grant. For example, if a city is setting up a revolving fund for purposes of clean air investments, it is likely that their financial authority may have to address the legal and regulatory specifics allowing them to set up such a financial mechanism. Or, if a city is utilizing the Fund to help convert existing diesel buses to clean fuels, it may need to modify contractual purchase agreements that authorize such transportation investments.

**Q: Isn't this really implementing Kyoto through the back door?**

A: No. First, the Fund is designed to reduce many pollutants besides greenhouse gases. Second, as you know, EPA is not seeking to implement the Kyoto Protocol before the Senate has provided its advice and consent to ratification. To the extent that the Fund would reduce greenhouse gases, it really is an extension of our current voluntary programs. EPA believes it is important to recognize that actions, such as EPA's voluntary energy efficiency programs and the Clean Air Partnership Fund, that would have the effect of reducing, or are intended to reduce greenhouse gases covered by the Kyoto Protocol, do not necessarily implement the Kyoto Protocol. These programs are authorized under the Clean Air Act and make sound environmental and economic sense. Most of EPA's voluntary programs long predate negotiation of the Kyoto Protocol. They were developed to meet the existing U.S. commitments to reduce greenhouse gas emissions under the Framework Convention on Climate Change, which the Senate voted unanimously to ratify in 1992. While the Clean Air Partnership Fund is largely focused on developing innovative approaches to multi-pollutant emission reductions, of which greenhouse gases are only one component, to the extent that it addresses greenhouse gases the Clean Air Partnership Fund has the same purposes and effect as the rest of EPA's voluntary programs. These programs are not intended to and do not implement the Kyoto Protocol

**HEARING OF THE SUBCOMMITTEE ON ENERGY AND ENVIRONMENT**
**COMMITTEE ON SCIENCE**
**U.S. HOUSE OF REPRESENTATIVES**

**on**

**FY 1999 Budget Authorization Request:**
**Environmental Protection Agency Science and Technology (S&T) Budget**
**Wednesday, March 18, 1999**

**Post-Hearing Questions Submitted to**

**The Honorable Norine Noonan**
**Assistant Administrator**
**Office of Research and Development**
**U.S. Environmental Protection Agency**

__Clean Air Partnership Fund__

Q11. The President's budget for fiscal year 2000 proposes to provide $200 million for a "new" Clean Air Partnership Fund using existing law. The President's Budget remarks (p.6) state that the fund will address air pollution and greenhouse gas emission reductions. Vice President Gore, in a January 25, 1999 release, said the Fund is to "finance projects achieving early reductions in both greenhouse gases and lung damaging pollutants." The Budget Appendix (p. 931) explains that the "Fund will enable the development of smart multipollutant strategies to protect over health and our climate." It also states:

> "The Fund will be used to capitalize local revolving funds and provide money for other financing mechanisms to fund projects that achieve innovative and early air pollution and greenhouse gas emissions reductions."

The new appropriation language is as follows (p. 930):

> "$200,000,000 for a clean air partnership fund demonstration program under section 103 of the Clean Air Act to support programs to achieve early, integrated reduction emissions of air pollutants, including local revolving funds and other mechanisms for leveraging non-Federal resources;".

Q11.1 In discussions with my staff, a representative of EPA's General Counsel reportedly cited section 103(b)(3) as the authority. Is that the statutory basis for this Fund? If not, what is the basis? If yes, please explain how the Fund carries out the "purposes stated in subsection (a)(1)"of section 103.

Q11.2 Please explain the purpose and need for the words (quoted above) in the appropriation proposal beginning with the words "to support", assuming section 103(b)(3) provides adequate authority.

Q11.3 There is no mention in the appropriation or section 103 of the term "greenhouse gases." Although the term is defined, as I noted earlier, in the United Nations Framework Convention on Climate Change as "those gaseous constituents of the atmosphere, both natural and anthropogenic, that absorb and re-emit infrared radiation," it is not, to my knowledge defined or used, in the Clean Air Act. Further, to my knowledge EPA has not concluded that greenhouse gases are air pollutants, although the EPA General Counsel has interpreted the Act to say that $CO_2$ is an air pollutant while also noting that EPA has not made a determination that $CO_2$ meets "specific criteria for EPA action under a particular provision of the Act."

Q11.3.1 What is the legal basis for saying the Act authorizes a Fund for greenhouse gases or for any particular greenhouse gas, such as $CO_2$?

Q11.3.2 Why does the appropriation language not mention greenhouse gases?

Q11.4 What portion of the Fund is for air pollution and what portion for greenhouse gas emissions?

Q11.5 Can any funds be used by recipients for command and control purposes or any regulatory purposes?

Q11.6 What is intended by the Vice President's remarks regarding "reduction," and what type of reduction "projects" are intended to be covered?

Q11.7 What are the criteria for applications for use of the Fund, and what are the conditions for such use?

Q11.8 What is the priority, if any, among applicants for the Fund, including regional priorities to ensure broad use?

Q11.9 What is the priority afforded States and local governments over the private sector?

Q11.10 What is the priority afforded States and local governments over the private sector?

Q11.11 What is the amount to be provided to recipients and the amount they must spend in dollars or in bond?

Congress of the United States
House of Representatives
106th Congress
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-0515

February 17, 1999

**By Hand Delivery**

Hon. Carol M. Browner
Administrator
Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20410

**Re: Clean Air Partnership Fund**

Dear Administrator Browner:

Clean air concerns everyone, including small business. As Chairman of the Committee on Small Business, I listened intently to the President's request for $200 million to fund the new Clean Air Partnership. Moreover, I found interesting your assertion that "[t]he programs will provide new resources for states, cities and tribes to reduce soot, smog, air toxics and greenhouse gases that contribute to climate change."[1]

In order to understand the Clean Air Partnership's purpose, please answer the following questions and produce any documents reviewed or identified in the answers by March 5, 1999.

1. Detail all purposes for which the Clean Air Partnership was established. When identifying the purposes, identify all individuals by name, last known address, and last known telephone number who are in charge of effectuating each identified purpose.

2. Identify, by name, last known address, and last known telephone number the individuals involved in developing the Clean Air Partnership's scope and purpose[s].

3. Identify, by date, author, addressee, type of document and subject matter all documents reviewed when establishing the Clean Air Partnership's purpose[s].

---

[1] David Mastio, Environment: Congress dubious of clean-air funding, The Detroit News (February 2, 1999), (copy enclosed)

4. Identify, by name, last known address, and last known telephone number all individuals with whom the EPA or the Administration or their representatives, either individually or collectively, communicated when establishing the Clean Air Partnership's purpose[s]

5. Describe in detail how the Administration anticipates allocating the $200 million requested for the Clean Air Partnership. When providing this information, please identify each and every purpose the Administration and EPA expect will receive money from the Clean Air Partnership and how much.

6. Please define "soot, smog, air toxics and greenhouse gases" as you used those terms in the enclosed article from The Detroit News.

7. Identify, by individuals involved, the date, the substance and whether any document memorializes any communication between EPA, the Administration, or their representatives, either individually or collectively, and the individuals identified in your response to Question Number 4, including the identity by name, last known address, and last known telephone number of the EPA or Administration official or officials or representatives involved in the communication.

Thank you for your attention to this matter. If you or your staff have any questions, please do not hesitate to contact Roger Keller of the Committee staff at (202) 225-5821.

Sincerely,

Jim Talent

James M. Talent
Chairman

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**February** 02, 1999, Tuesday

SECTION: NationWorld; Pg. Pg. A3

LENGTH: 172 words

HEADLINE: Environment: Congress dubious of clean-air funding

BYLINE: By David Mastio / Detroit News Washington Bureau

BODY:
WASHINGTON -- Global warming will be a guaranteed flash point as Congress takes up the Clinton administration's environmental budget proposals for 2000.

Lawmakers already are charging that the Environmental Protection Agency is using its budget request to **implement the Kyoto** global warming treaty before the Senate ratifies the international pact.

At issue is a new, $ 200-million program called the Clean Air Partnership Fund. "The program will provide new resources for states, cities and tribes to reduce soot, smog, air toxics and greenhouse gases that contribute to climate change," said EPA Administrator Carol Browner.

U.S. Rep. Joseph Knollenberg, R-Bloomfield Hills, sees something more sinister: "It's designed to **implement the Kyoto** (treaty) through the back door."

Knollenberg, who sits on the appropriations subcommittee that approves the EPA budget, said the House and Senate are already working together to craft a counterproposal that will target greenhouse gases but through cooperative measures.

LOAD-DATE: February 02, 1999

DETERMINED TO BE AN ADMINISTRATIVE
MARKING INITIALS: NM DATE: 3/4/18
2017-1093-F

Honorable James M. Talent
U.S. House of Representatives
Committee on Small Business
2561 Rayburn House Office Building
Washington, D.C. 20515-0515

Dear Mr. Chairman:

I am writing in response to your inquiry of February 17, 1999, requesting information on the Clean Air Partnership Fund. As proposed in President Clinton's FY2000 budget, the Fund would provide an exciting opportunity for cities, states and tribes to partner with the private sector, the federal government, non-governmental organizations and each other to use innovative programs to provide healthy, clean air to local citizens. The Fund would act as a magnet for local innovation and investment -- bringing the most creative ideas for cleaning the air we breathe to where they are needed the most -- local communities. For some time, EPA has heard from local, state and tribal governments, as well as from industry, about the need for more optimal, multi-pollutant approaches to reducing air emissions. The Fund would help meet that need.

I want to assure you that the proposed Fund is not designed in any way to implement the Kyoto Protocol. As you know, the Administration has committed not to implement the Kyoto Protocol without the advice and consent of the Senate. At the same time EPA believes, and Congress has agreed, that it makes sense to undertake a wide variety of voluntary programs, such as programs aimed at improving energy efficiency, that reduce smog, particulate matter and other air pollutants as well as greenhouse gases. Congress has consistently approved funding for such voluntary programs. EPA, with support from many state and local officials, sees great value in facilitating such multi-pollutant programs. The Administration has proposed the Clean Air Partnership Fund to help state, local, or tribal governments that choose to pursue programs with similar objectives. The Administration believes the Fund would be an appropriate way to move forward to reduce air pollution in common-sense, cost-effective ways without acting under the Kyoto Protocol prior to Senate ratification.

The enclosure answers the specific questions raised in your letter. We have made a good faith effort to contact all EPA personnel that might have documents or knowledge responsive to your request. It is always possible, however, that we may become aware of responsive documents or information later. If so, we will update our response at that time. Please note that, in keeping with our general policy, where names of Administration personnel or representatives are requested, we are providing names of the responsible political appointees and career Senior Executive Service personnel, but not of career non-SES personnel.

Please note that some of the documents responsive to your request are deliberative in nature or contain material subject to the attorney-client and attorney work product privileges, and are so marked. In providing you with these records, we are not waiving the Agency's ability to invoke exemption 5 under the Freedom of Information Act (FOIA) for deliberative or attorney-client privileged documents or the work product/attorney-client privileges in general. We therefore request that you preserve the confidentiality of any documents marked privileged by refraining from providing copies of those records, or from otherwise communicating the contents of those records, to persons other than those with a need to know as part of this Congressional oversight review.

In addition, certain of these documents raise concerns regarding the interest of the Executive Office of the President in the confidentiality of the deliberative process. This Administration, like the Bush and Reagan Administrations that preceded it, has consistently required Executive Branch agencies to consult and coordinate with the White House Counsel in responding to Congressional document requests that involve decisionmaking processes that are coordinated by or have significant involvement by White House offices. In accordance with our usual procedure for handling such requests, if you wish to pursue your request for these documents, please contact Charles F. C. Ruff, Counsel to the President. We have conferred with the White House Counsel's office, and we can assure you that they share our commitment to accommodate legitimate needs of your Committee to the maximum extent possible, while preserving the interest of the Executive Branch in the confidentiality of the deliberative process.

I appreciate the opportunity to be of service and trust that this information will be helpful to you.

Sincerely,

Robert Perciasepe
Assistant Administrator

Enclosures

**1. Detail all purposes for which the Clean Air Partnership was established. When identifying**

**the purposes, identify all individuals by name, last known address, and last known telephone number who are in charge of effectuating each identified purposes.**

**Answer:**

The Clean Air Partnership Fund would provide grants to local, state and tribal governments, and to multi-governmental organizations, to support demonstration projects that:

(1) control multiple air pollution problems simultaneously;
(2) leverage the original Federal funds;
(3) facilitate meaningful public involvement; and
(4) provide innovative approaches to air pollution control that could be replicated in other cities and states.

The intent is that the Fund would demonstrate innovative multi-pollutant approaches to reducing emissions of criteria pollutants, air toxics and greenhouse gases; meet the needs of state, local and tribal governments for funding of innovative approaches; and stimulate technology development.

EPA's Office of Air and Radiation (OAR) is charged with developing the Fund, and EPA's current intent is that OAR's Office of Atmospheric Programs would administer the Fund. Thus, the EPA managers who would be primarily responsible for ensuring that the Fund's purposes will be effectuated are:

Paul Stolpman
Director
Office of Atmospheric Programs
501 3rd Street, N.W., Mail Code: 6201J
Washington, D.C. 20001
(202) 564-9140

Robert Brenner
Acting Deputy Assistant Administrator
Office of Air and Radiation
401 M Street, S.W., Mail Code: 6101
Washington, D.C. 20460
(202) 260-7400

Robert Perciasepe
Assistant Administrator
Office of Air and Radiation
401 M Street, S.W., Mail Code: 6101
Washington, D.C. 20460
(202) 260-7400

**2. Identify, by name, last known address, and last known telephone number the individuals involved in developing the Clean Air Partnership's scope and purpose[s].**

**Answer:**

Based on EPA's first-hand knowledge, the following people were involved in developing the scope and purpose of the Clean Air Partnership Fund as proposed in President Clinton's FY2000 budget.

Carol M. Browner
Administrator
Environmental Protection Agency
401 M Street, S.W., Mail Code: 1101
Washington, D.C. 20460
(202) 260-4700

Peter D. Robertson
Acting Deputy Administrator
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(202) 456-6224

Brad Campbell
Associate Director
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(202) 456-6224

George Frampton
Acting Chairman
Council on Environmental Quality
360 Old Executive Office Building
Washington, D.C. 20501
(202) 456-6224

Todd Stern
Assistant to the President for Special Projects
The White House
Washington, D.C. 20502
(202) 456-1648

Chief
Environmental Branch
Office of Management and Budget
725 - 17th Street, N.W., Room 8026 NEOB
Washington, D.C. 20503
(202) 395-6827

Associate Director
Natural Resources, Energy and Science
Office of Management and Budget
725 - 17th Street, N.W., Room 246 OEOB
Washington, D.C. 20503
(202) 395-6827

**3. Identify, by date, author, addressee, type of document and subject matter all documents reviewed when establishing the Clean Air Partnership's purpose[s].**

**Answer:**

EPA has searched its files and identified the following documents that were reviewed by EPA in establishing the purpose of the Clean Air Partnership Fund as proposed in President Clinton's FY2000 budget. Documents 1 and 2 are attached. If you wish to pursue your request for Documents 3-8, please contact Charles F. C. Ruff, Counsel to the President.

1. Date: late December 1998
   Author: Robert Perciasepe, Assistant Administrator, OAR
   Addressee: Carol Browner, Administrator
   Document Type/Subject Matter: draft Clean Air fund note; not sent to Administrator.

2. Date: 1/11/99
   Author: EPA
   Addressee: ICF, Incorporated
   Document Type/Subject Matter: quick turn around technical directive for contractor assistance and associated deliverables.

3. Date: unknown
   Author: Administration
   Addressee: Administration
   Document Type/Subject Matter: Internal Administration "Fund for Fresh Air" discussion draft

4. Date: 12/16/98
   Author: Administration
   Addressee: Administration
   Document Type/Subject Matter:Internal Administration Clean Air Fund discussion draft.

5. Date: 12/24/98
   Author: Robert Perciasepe
   Addressee: Brad Campbell, Council on Environmental Quality
   Document Type/Subject Matter: Internal Administration Clean Air Fund discussion note.

6. Date: 1/6/99
Author: Administration
Addressee: Administration
Document Type/Subject Matter: Internal Administration Discussion draft on President Clinton's Clean Air Partnership Fund.

7. Date: 1/7/99
Author: Administration
Addressee: Administration
Document Type/Subject Matter: Internal Administration Discussion draft on President Clinton's Clean Air Partnership Fund.

8. Date: 1/27/99
Author: Climate Change Task Force
Addressee: Administration
Document Type/Subject Matter: Internal Administration discussion draft on Clean Air Partnership Fund.

**4. Identify, by name, last known address, and last known telephone number all individuals with whom the EPA or the Administration or their representatives, either individually or collectively, communicated when establishing the Clean Air Partnership's purpose[s].**

**Answer:**

In response to Question 2, EPA has listed the individuals within the Administration with whom EPA communicated when establishing the Clean Air Partnership Fund's purpose as announced in President Clinton's FY2000 proposed budget. Based on EPA's first-hand knowledge, EPA did not communicate about the Fund's purpose with any individuals from **outside the Administration** when establishing the Clean Air Partnership Fund's purpose as announced in President Clinton's FY2000 proposed budget.

Although this is beyond the scope of the question, it is useful to understand that the general need for or desirability of innovative air pollution control approaches at the local and state level has been discussed over the years with representatives from state, local and tribal governments, industry, non-governmental organizations and others. These conversations have covered both the general need for such approaches and specific projects (e.g., the use of alternative fuel vehicles at airports). The purpose and scope of the Clean Air Partnership Fund was designed with these needs in mind. Although these conversations provided background information, they did not relate directly to the development of the Fund's purpose. For that reason, EPA does not interpret your request as covering these conversations. Furthermore, it is not clear there is any way to reconstruct all of those conversations.

**5. Describe in detail how the Administration anticipates allocating the $200 million requested for the Clean Air Partnership. When providing this information, please identify each and every purpose the Administration and EPA expect will receive money from the Clean Air Partnership and how much.**

**Answer:**

Using the grant-making authority provided by section 103 of the Clean Air Act, EPA anticipates allocating the $200 million Clean Air Partnership Fund to local, state and tribal governments (or multi-governmental organizations). Section 103 of the Clean Air Act provides the statutory authority necessary for the award of financial assistance to support activities undertaken as part of the Clean Air Partnership Fund program. This grant authority specifically includes the authority to fund demonstration projects, as well as related studies and investigations, such as those that will be supported through the Clean Air Partnership Fund program.

The purposes for which EPA will make demonstration grants are those outlined in the answer to Question 1 above. They are to:

(1) control multiple air pollution problems simultaneously;
(2) leverage the original Federal funds;
(3) facilitate meaningful public involvement; and
(4) provide innovative approaches to air pollution control that could be replicated in other cities and states.

EPA is currently consulting with stakeholders, particularly representatives of local, state and tribal governments, to solicit ideas for potential multi-pollutant demonstration projects and suggestions for program design. With that input, EPA will finalize the design of the Fund, develop a solicitation of proposal and appropriate guidance for the grant program, and issue both as soon as possible after the appropriation is enacted.

Prior to the selection of the proposals, it is impossible to detail how the Fund will be allocated among potential recipients and project proposals.

**6. Please define "soot, smog, air toxics and greenhouse gases" as you used those terms in the enclosed article from The Detroit News.**

**Answer:**

Following are how EPA defines the terms at issue:

- -- Smog: tropospheric ozone
- -- Soot: particulate matter, including both coarse and fine particles
- -- Air toxics: the 188 hazardous air pollutants listed in section 112(b) of the Clean Air Act
- -- Greenhouse gases: gases which, when added to the earth's atmosphere, contribute to warming of the earth through absorption of infrared (i.e., thermal) radiation. Greenhouse gases include carbon dioxide, nitrous oxide, methane, hydrofluorocarbons, perfluorinated compounds, and sulfur hexafluoride.

**7. Identify, by individuals involved, the date, the substance and whether any document memorializes any communication between EPA, the Administration, or their representatives, either individually or collectively, and the individuals identified in your response to Question Number 4, including the identity by name, last known address, and last known telephone number of the EPA or Administration official or officials or representatives involved in the communication.**

**Answer:**

Based on EPA's first-hand knowledge, EPA did not communicate about the Fund's purpose with any individuals from outside the Administration when establishing the Clean Air Partnership Funds purpose as announced in President Clinton's FY2000 proposed budget.

**_American Trucking Associations, Inc. v. USEPA_, Nos. 97-1440 and 97-1441**
**(D.C. Cir. May 14, 1999)**
**Summary of Decision**

- In July 1997, EPA issued health-based air quality standards for ozone and particulate matter. In response to challenges filed by industry and others, a 3-judge panel of the Court of Appeals for the District of Columbia Circuit issued a split opinion on May 14.

- The Court held (2 to 1) that the Act, as applied and absent further clarification, is unconstitutional because it "effects an unconstitutional delegation of legislative power."

  - The Court stated that "the factors EPA uses in determining the degree of public health concern associated with different levels of ozone and PM are reasonable."

    - It described these factors as including "the nature and severity of the health effects involved, the size of the sensitive population(s) at risk, the types of health information available and the kind and degree of uncertainties that must be addressed."

  - However, the Court said that when EPA considers these factors for non-threshold pollutants, "what EPA lacks is any determinate criterion for drawing lines" to determine where the standard should be set.

  - The vigorous dissent on this issue states that the court "ignores the last half-century of Supreme Court nondelegation jurisprudence." The dissent goes on to say that "section 109's delegation of authority is narrower and more principled than delegations the Supreme Court and this court have upheld since [a 1935 case relied on by the majority]."

- Contrary to the claims made by petitioners and other critics, nothing in the Court's opinion undercuts or criticizes the science on which EPA relied.

  - The Court stated that "the growing empirical evidence demonstrating a relationship between fine particle pollution and adverse health effects amply justifies establishment of new fine particle standards."

  - The Court rejected petitioners' claims that EPA could not rely solely on epidemiological studies to set the PM2.5 standards.

  - The Court rejected petitioners' claims that EPA was required to do additional research on PM2.5.

- The Court rejected petitioners' claims that EPA should take cost into account in setting the air quality standards.

- Contrary to the claims made by petitioners, nothing in the Court's opinion undercuts or criticizes the process EPA used.
    - The Court rejected petitioners' claims that EPA violated the National Environmental Policy Act.
    - The Court rejected petitioners' claim that EPA acted arbitrarily and capriciously in deciding that it was not required to prepare a regulatory impact statement pursuant to the Unfunded Mandates Reform Act.
    - The Court rejected petitioners' claims that the Regulatory Flexibility Act, as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA), required EPA to prepare a regulatory flexibility analysis of small business impacts.
- The Court held paradoxically that the Clean Air Act allows EPA to revise the primary ozone standard, but stated that revised ozone standard "cannot be enforced."
    - The Court found that the Clean Air Act requires that EPA, at 5-year intervals, conduct a thorough review of the air quality standards and make such revisions as are appropriate.
    - The Court also found that the Clean Air Act requires that EPA designate areas as attainment, nonattainment or unclassifiable.
    - However, the Court held that, given the Act's (Subpart 2's) classification scheme and attainment dates for the pre-existing primary 1-hour ozone standard, the revised ozone standard "cannot be enforced."
- In addressing whether EPA should have considered alleged benefits of ozone as a shield in blocking UVb radiation, the Court held that EPA must consider whether ozone has a beneficial effect, and if so, consider such effects in assessing ozone's net effects on health.
- The Court found "ample support" for EPA's decision to regulate coarse particulate pollution below the 1987 levels, but also found that PM10 was "a poorly matched indicator for coarse particulate pollution" because PM10 includes fine particles.
- The Court rejected petitioners' claim that EPA should have considered any detrimental health effects relating to unemployment that allegedly would be caused by the NAAQS.
- The Court upheld EPA's decision to rely on the regional haze program to mitigate some of the adverse visibility effects caused by PM2.5.

- The opinion remands the cases to EPA for further consideration. During remand, the legal status of the standards is as follows:
    - The Court left the new ozone standard in place based on its determination that it "cannot be enforced."
    - The Court vacated the revised coarse particle (PM10) standards.
    - The Court will set a briefing schedule to determine whether the PM2.5 standards should be vacated or remain in place while the case is remanded to the Agency.

## THE US COURT OF APPEALS FOR THE D.C. CIRCUIT DECISION ON EPA'S PUBLIC HEALTH AIR STANDARDS FOR SMOG AND SOOT

**Ignoring Supreme Court Law**:

- On May 14, 1999, in a split decision (2 to 1), a panel of the U.S. Court of Appeals for the D.C. Circuit ignored over a half century of Supreme Court law. It held that the Clean Air Act -- as applied in setting the new public health air quality standards for ozone (smog) and particulate matter (soot) -- is unconstitutional as an improper delegation of legislative authority to the Environmental Protection Agency (EPA).

    - In constructing the programs that provide many of this nation's most important public health and safety standards, Congress, EPA and other federal agencies have relied on a 64-year history of Supreme Court and Court of Appeals jurisprudence sustaining similar Congressional delegations of authority.

    - The panel's split decision -- a radical departure from that well-established case law -- carries with it dangerous implications for not only the new public health air quality standards, but also for many other federal laws or rules enacted to protect the health of the American people.

    - In a vigorous dissent, Judge Tatel declared that "the court ignores the last half-century of Supreme Court nondelegation jurisprudence, apparently viewing these permissive precedents as mere exceptions to the rule laid down 64 years ago [in a 1935 case]."

**Upholding EPA's Science and Process:**

- Despite the constitutional ruling, the Court rejected the central arguments of industry's claims. The Court did not question the science on which EPA relied to develop the health standards or criticize EPA's decision making process. The Court stated that:

        - "the growing empirical evidence demonstrating a relationship between fine particle pollution and adverse health effects amply justifies establishment of new fine particle standards."

        - there was "ample support" for EPA's decision to regulate coarse particulate pollution below the 1987 levels.

        - EPA complied with the Regulatory Flexibility Act as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA) and Unfunded Mandates Reform Act (UMRA).

**Delaying Public Health Protections:**

- If not overturned on appeal, the Court decision will jeopardize or put on hold the new public health air standards for soot and smog which would protect the health of 125 million Americans, including 35 million children. Taken together, these harmful pollutants contribute to acute health effects ranging from premature deaths to exacerbated asthma and other respiratory problems.

**The Decision:**

- Specifically, the Court's decision:
    - did not question the need to provide the American public with strong health protections through tightened smog and soot standards.
    - rejected the claim that EPA consider costs when setting national air quality standards.
    - left the 8-hour ozone standard in place, but stated that it "cannot be enforced."
    - left open the issue of whether the fine particle (PM 2.5) standards should remain in place, subject to further briefing.
    - vacated the revised coarse particle (PM10) standards, but requested further briefing on the status of the old PM10 standards in light of its decision.
- The Court's opinion is still being reviewed by EPA and the Department of Justice. EPA has asked the Department of Justice to appeal this decision and take all judicial steps necessary to overturn it.

**Providing Americans with Cleaner Air:**

- As a result of an initial interpretation of the Court's ruling, EPA believes it can continue to move forward with other vital clean air programs that will provide the American people with important health protections, including:
    - reducing the state-to-state transport of smog (NOx SIP call).
    - proceeding with its proposal for cleaner vehicles and cleaner gasoline (Tier 2 and sulfur).
    - ensuring the air quality monitoring program continues and the PM 2.5 monitors are put in place.
    - continuing support for voluntary "right-to-know" programs managed by states and coordinated through EPA, such as the Ozone Action Days and the air quality data submitted to EPA's Internet Ozone Mapping Site.
    - designating areas as attainment or nonattainment for the 8-hour ozone standard.
- EPA is continuing to evaluate the impacts of this decision on other clean air efforts. For example, EPA is evaluating the effect of the decision on areas where the 1-hour ozone standards and the old PM10 standards have been revoked and determining next steps in light of the Court's decision.

# The Clean Air Partnership Fund
# Examples of Potential Partnership Projects

President Clinton's FY2000 budget proposes a new $200 million **Clean Air Partnership Fund.** The Fund will provide an opportunity for cities, states and tribes to partner with the private sector, the federal government and each other to provide healthy clean air to local citizens. The Fund will demonstrate smart multi-pollutant strategies that reduce air toxics, soot, smog, and greenhouse gases to protect our climate and our health.

The **Clean Air Partnership Fund** will provide critical start-up capital for innovative financing of local energy efficiency and air pollution reduction projects. Projects such as the following will be encouraged by using the fund as an initial source of capital and as a magnet for creative partnership proposals.

**Municipal Energy Efficiency Investments**

- The City of Phoenix, Arizona, with a population of 972,000, established a revolving fund to encourage energy efficiency in municipal buildings. It started the Energy Conservation Savings Reinvestment Plan in 1984 with $50,000 seed money from state oil overcharge funds. Each year, Phoenix reinvested half of all documented energy savings in the Plan. By 1986, annual energy savings were over $1 million, capping off the Plan at its maximum allowable limit of $500,000 a year[1]. The Plan has financed retrofits which resulted in $18 million of audited savings from 1978 to 1992. Accrued projected savings from 1978 to 2002 are expected to total $42.6 million.

- In 1983, the School District of Philadelphia, embarked on an incentive based energy conservation program which has resulted in a 10 year savings of $45 million. Faced with budget constraints, district personnel looked at the then $33 million energy budget as a potential resource[2].

  With the cooperation of all departments, program guidelines were established that provided a financial incentive to any school that could show a savings on its annual - averaged over past three years - energy bills. The savings were divided with 40% going back to the school, 40% to the district and 20% earmarked for investment by the district in energy saving projects. By the end of the first year, district wide savings were $3 million, with two thirds of schools showing savings. Twenty-five percent of the rebates to schools are to be spent on benefiting school maintenance staff, to reward their

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[1] International Council for Local Environmental Initiatives (ICLEI), 1998.
[2] ICLEI, 1998.

contribution and ensure their cooperation.

**Energy Service Contracts**

- An energy service company, CES/Way International, carried out a turnkey performance contract to retrofit seven municipal buildings in Jefferson County, Kentucky, U.S.A. The $2.5 million project included boiler, air infiltration, HVAC control and lighting retrofits, monitoring, and training of building operators. CES/WAY International also arranged funding and guaranteed the energy savings would be sufficient to repay the debt. After the debt payment, the ESCO split the remaining energy savings with the County in a standard "shared savings" arrangement. Annual energy savings were $530,000 in 1992, about 20 percent of the investment[3].

**Lease Purchase Agreements**

- The City of Buffalo, New York recently used tax exempt municipal lease purchase financing, provided by Oppenheimer & Co., Inc., to retrofit 55 City facilities. Total project cost was approximately $3.5 million, $1.2 million of which was available as incentives from the local electric utility Niagara Mohawk. Total 15 year benefits to Buffalo will be in excess of $6,100,000. Energy saving measures implemented included energy efficient lighting, high efficiency motors, HVAC upgrades, programmable building controls and controllers on ice rink brine pumps[4].

**State Bond Sales**

- The sale of over $12 million in "energy conservation bonds" is financing the retrofit of office buildings, hospitals, and schools owned by state agencies in Iowa. The State of Iowa Facilities Improvement Corporation (SIFIC) uses the bond proceeds to pay for the installation of energy efficient equipment. The bond proceeds support a wide range of energy management improvements. Energy improvements installed to date in state-owned facilities total $19 million, and are saving the State $3.4 million a year[5].

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[3] ICLEI
[4] ICLEI
[5] ICLEI

**State Revolving Loan Program**

- The Texas LoanSTAR program is Texas' own program designed to "Save Taxes And Resources" by monitoring energy use and recommending energy-saving retrofits. In 1988, the Texas Governor's Energy Office (now known as the State Energy Conservation Office) received approval from the U. S. Department of Energy to establish a statewide retrofit demonstration program. The initial capital came from oil overcharge funds. The LoanSTAR program is designed to demonstrate commercially available, energy efficient, retrofit technologies and techniques .LoanSTAR has already generated $62 million in savings (as of August1998) for Texas taxpayers, and the program is projected to save another $250 million over the next 20 years.

  State agencies, such as schools and public buildings, may apply for loans to make recommended retrofits. Participants must repay the loans in four years or less based on estimated energy savings. In most cases repayment is made from savings generated by the cost-effective retrofit measures. Once the loans are repaid, the savings are available for the agencies.

  Savings-generating retrofits to buildings include installing variable speed pumps and variable air volume systems, upgrading heating and air conditioning systems, and installing high efficiency chillers, energy management control systems, high efficiency lighting systems and thermal storage systems[6].

**Transportation Air Pollution Investments**

- Clean-Fuel Taxi Cabs

  Funding from several sources (DOE, California and South Coast Air Quality Mgmt. District) combined to reduce the cost of purchasing an alternative-fueled taxi cab from $27,000 to $21,000. Each CNG fueled cab reduced on average 6,300 lbs/year of HC and $NO_x$ by over 11,000 lbs/year. The Clean Air Partnership Fund could provide initial capital to attract such matching funds[7].

- Clean-Fuel Fork Lifts

  By converting 36 of 96 forklifts to natural gas, an airport facilities company demonstrated fuel cost savings of $10,000 in the first year. Conversion expenses were $1,200 per vehicle. CO, HC, $NO_x$ and $CO_2$ emissions were reduced an estimated 90%, 70%, 50%, and 10% respectively[8].

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[6] Texas Loan STAR Program, 1998.
[7] "Spotlight on Niche Markets - Taxis Are Changing to AFVs". Alternative Fuel News, DOE, Vol. 2, No.5.
[8] Case Studies on Cost-Effective Forklift Truck Fleets. Gas Research Institute, May 1, 1996.

- Electric Buses

  Converting diesel buses to electric buses results in virtually zero tailpipe emissions. Air toxics, soot and smog are all reduced. Chattanooga Area Regional Transportation Authority has converted 16 of 81 vehicles to electricity at a cost of $160,000 to $180,000 for 22- and 31-ft electric buses. Fuel costs ranged from $0.04 to $0.05/mile for electric compared to $0.16/mile for diesel. Maintenance costs ranged from $0.04 to $0.075/mile for electric and $0.185/mile for diesel. The initial capital costs of the bus conversions can be offset by fuel and operating cost savings[9].

**Residential and Commercial Energy Consumption**

- Solar Water Heaters

  Replacing an average home electric water heater with a solar water heater would prevent 26 pounds of $NO_x$ and 40 pounds of $SO_2$ on average annually. It would also reduce 7,600 pounds of $CO_2$ annually[10].

- Energy Efficient Lighting

  In a commercial office building project, replacement of over 12,000 florescent T12 lamps with energy-efficient T8s with electronic ballasts prevented over 2.5 million pounds/year of $CO_2$, and over 3 million g/year of $SO_2$ and $NO_x$. This reduced electricity consumption by 43% and saved over $100,000 per year.

**Renewable Energy Sources**

- Wind Turbines

  A 10-MW wind farm would annually displace 23,000 tons of $CO_2$, 123 tons of $SO_2$ 80 tons of $NO_x$ [11].

- Fuel Cells

  Fuel cells emit about 1/250th as much $NO_x$ per unit of electricity generated as that from a conventional power plant[12].

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[9] Electric Buses Energize Downtown Chattanooga. Argonne National Lab., DOE, August 1, 1997.

[10] "Reducing Greenhouse Gases & Air Pollution: A Menu of Harmonized Options. Preliminary Findings, November 1998. State and Territorial Air Pollution Program Administrators (STAPPA) and Association of Local Air Pollution Control Officials (ALAPCO).

[11] STAPPA-ALAPCO, 1998.

[12] STAPPA-ALAPCO, 1998.

**Municipal Landfill Emissions as Energy Source**

- Private developers use gas collected from a Raleigh, NC city owned landfill to fuel boilers, thus reducing GHG and conventional pollutants. The facility eliminates the methane emissions of the landfill avoids the emissions at the utility that provided the original supply of electricity. City of Raleigh receives royalties of $65,000 -$75,000 per year[13].

- The South Davis County Sewer Improvement District operates a cogeneration project that burns methane from sewage sludge processing, thus virtually eliminating the methane emissions and avoids the emissions at the utility that provided the original supply of electricity. The system saves $5,000 per month on utility bills for the District and provides 75% of the facilities electricity and all of its heating needs[14].

**Municipal Cogeneration Facilities**

- Trenton, NJ partnered with a private company to build and operate a cogeneration facility to avoid paying all the construction and maintenance costs itself. The private company keeps the electricity sales revenues. The cogeneration facility reduces oil and gas consumption by nearly 50% avoiding emissions of 33,000 pounds/year of particulates.

- A new $52 million wood-fired combined heat and power system is to be built in St. Paul, Minnesota. The plant will provide 25 megawatts of electricity to Northern States Power -- enough to supply electricity to 20,000 homes and heat to 450 downtown St. Paul commercial customers. A substantial portion of the wood waste to fire the system will come from downed trees, trimmings and branches from the Twin Cities area.

  The project will significantly reduce air pollution by displacing 110,000 tons of coal that are presently burned every year, with wood waste. This will reduce sulfur dioxide emission by roughly 600 tons per year and reduce fossil fuel derived carbon dioxide emissions by roughly 280,000 tons per year. The power plant can operate at more than double the efficiency of conventional electricity-only power plants, resulting in twice the useful end-energy for the same raw energy input[15].

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[13] DOE, Energy Solutions for Cities and Counties.
[14] DOE, Energy Solutions for Cities and Counties.

[15] Trigen-Cinergy Solutions, 1/8/99.