U.S. Environmental Protection Agency

Office of Air and Radiation

FY 2008

National Program & Grant Guidance

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Executive Summary

I. Program Office – Office of Air and Radiation: This document describes air and radiation program implementation priorities and milestones for Fiscal Year (FY) 2008 and provides information on the use and prospective allocation of FY 2008 state, local, and tribal assistance grants (Appendix A).

II. Introduction/Context: The information in this document supports achievement of the objectives, sub-objectives, and strategic targets in EPA's 2006–2011 Strategic Plan and the performance goals in EPA's FY 2008 Annual Performance Plan and Congressional Justification.

A. Organization of the Technical Guidance: The main body of the guidance (not the appendices) is organized into five chapters B Outdoor Air, Indoor Air, Stratospheric Ozone, Radiation Protection, and Climate Change. These chapters correspond to the Objectives in the Goal 1—Clean Air and Global Climate Change section of EPA's 2006-2011 Strategic Plan (http://epa.gov/ocfo/plan/plan.htm). Each chapter begins with the sub-objectives and strategic targets from the Strategic Plan and discusses the overall strategy for achieving the objective. This information informs the reader of the longer-term outcomes and results being pursued, and sets the stage for program subsections that present more detailed strategies and specific implementation activities. For instance, the Outdoor Air chapter contains subsections that reflect the different roles and responsibilities of the partners/co-regulators. One subsection speaks to the federal role and another speaks to the roles of state, local, and tribal air quality management agencies. In other chapters, the subsections are based on the type of activity rather than who performs the activity. The Stratospheric Ozone chapter, for example, is subdivided into domestic vs. international activities, whereas the Indoor Air chapter is subdivided into environmental contaminants/asthma triggers and radon.

B. Organization of the Grant Guidance (Appendix A): Appendix A provides information and guidance on selected program areas supported by grant assistance. It highlights the major changes impacting program grants in FY 2008 both programmatically and administratively. Appendix A is divided into six sections: an executive summary which highlights major developments affecting FY 2008 grant assistance, fundamental elements of sound grants management, areas of emphasis and change in programs supported with grant assistance, a dedicated section on ambient air monitoring programs, a preliminary FY 2008 air grant allocation, and information on the FY 2008 state indoor radon grant program and grant allocation.

III. Priorities for Regional Offices:

A. OAR Priorities: OAR's top priorities for the Regions in FY 2008 are:

1. Ozone, $PM_{2.5}$, and Regional Haze. Act on state implementation plan (SIP) submissions and redesignation requests, including regional haze control strategy plans, and assist in designating attainment/non-attainment areas for the 2006 $PM_{2.5}$ standard.

2. Clean Air Interstate Rule and Clean Air Mercury Rule. Work with states to finalize rulemakings to establish the allowance accounts, operate the trading programs, and certify source emissions monitors. Also provide litigation support.

3. Ambient Monitoring. Work with co-regulators to assess current PM ambient monitoring networks to improve both their efficiency and the robustness of the data collected, and assist with implementing $PM_{10-2.5}$ sampling.

4. Mobile Sources. Implement the National Clean Diesel Campaign, assist with and comment on conformity determinations, process conformity-related SIP revisions, and make determinations and act on mobile budgets at time of SIP processing. All Regions included diesel emission reductions in their regional priorities.

5. Air Toxics. Delegate and provide assistance to co-regulators for section 111, section 112, and section 129 standards.

6. Title V Permits. Work on permitting the pollution sources that remain to be permitted.

B. Regional Priorities: In Fall 2005, the Deputy Administrator asked the Regions to identify a limited number of Regional priorities. The air-related priorities identified by the Regions through that process are consistent with and support OAR priorities, and are comprised of:

1. Improving Air Quality to Attain the National Ambient Air Quality Standards, including developing and processing SIPs and requests for redesignations to attainment.

2. Reducing Diesel Emissions by helping entities implement diesel emissions reductions projects.

3. Improving the Energy Performance of Buildings by conducting outreach and other activities in support of Energy Star Buildings benchmarking.

IV. Implementation Strategies: The toolkit of air and radiation implementation strategies includes regulatory and statutory activities, market-based program activities, partnership and community-based activities, and activities related to developing or implementing innovative approaches. Regions choose the mix of strategies and activities most appropriate for their circumstances and prevailing environmental issues while also addressing base program requirements. These strategies are described in more detail in the technical sections of this document. Additionally, OAR encourages use of innovative tools and strategies including: 1) the National Environmental Performance Track Program (http://www.epa.gov/performancetrack/); 2) Environmental Management Systems (EMS) (http://www.epa.gov/ems/); and, 3) the Environmental Results Program (ERP) (http://www.epa.gov/permits/erp/index.htm). States and tribes may be able to use these or other innovative tools.

V. Measures: OAR and Regions collaborated to develop and agree upon the regional performance measures/commitments listed in Appendix B. Performance measures associated with the Regional Priorities are integrated with theses regional performance commitments.

VI. Tracking Progress: OAR tracks progress through existing monitoring, data reporting, and information systems used by OAR, Regions, and state, local, and tribal agencies, and through the Annual Commitment System. We also track and discuss program progress via conference calls, face-to-face meetings, and the exchange of written information.

VII. State and Tribal Assistance Grants: Priorities for the use of FY 2008 air grant resources are outlined in the State and Local Air Quality Management subsection. Appendix A provides more information on specific grant topics including new initiatives, areas of changing emphasis such as monitoring, and associated program support. It also contains preliminary, national Region-by-Region allocations for state and local air quality programs and for state indoor radon grants. A tribal air grant allocation, and the distribution of funds for certain competitive grant programs, will be provided at a later date.

VIII. Program Contacts:

- **Criteria Pollutants, Air Toxics, and Regional Haze:** Jerry Stubberfield, phone 919-541-0876, email stubberfield.jerry@epa.gov
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- **Mobile Sources:** Mike Haley, phone 202-564-1708, email haley.mike@epa.gov
- **State and Local Air Grants:** Bill Houck, phone 202-564-1349, email houck.william@epa.gov unless someone else is named in the grant guidance appendix.
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Healthier Outdoor Air

Objective 1.1 – Healthier Outdoor Air. Through 2011, working with partners, protect human health and the environment by attaining and maintaining health-based air quality standards and reducing the risk from toxic air pollutants.

Sub-objective 1.1.1: Ozone and $PM_{2.5}$. By 2015, working with partners, improve air quality for ozone and $PM_{2.5}$ as follows:

Strategic Targets:

- By 2015, reduce the population-weighted ambient concentration of ozone in all monitored counties by 14% from the 2003 baseline.

- By 2015, reduce the population-weighted ambient concentration of $PM_{2.5}$ in all monitored counties by 6% from the 2003 baseline.

- By 2011, reduce emissions of fine particles from mobile sources by 134,700 tons from the 2000 level of 510,550 tons.

- By 2011, reduce emissions of NO_X from mobile sources by 3.7 million tons from the 2000 level of 11.8 million tons.

- By 2011, reduce emissions of volatile organic compounds from mobile sources by 1.9 million tons from the 2000 level of 7.7 million tons.

- By 2018, visibility in eastern Class I areas will improve by 15% on the 20% worst visibility days, as compared to visibility on the 20% worst days during the 2000-2004 baseline period.

- By 2018, visibility in western Class I areas will improve by 5% on the 20% worst visibility days, as compared to visibility on the 20% worst days during the 2000-2004 baseline period.

- By 2011, with EPA support, 30 additional tribes (6 per year) will have completed air quality emission inventories. (FY 2005 baseline: 28 tribal emission inventories)

- By 2011, 18 additional tribes will possess the expertise and capability to implement the Clean Air Act in Indian country (as demonstrated by successful completion of an eligibility determination under the Tribal Authority Rule). (FY 2005 baseline: 24 tribes)

Sub-objective 1.1.2: Air Toxics. By 2011, reduce the risk to public health and the environment from toxic air pollutants by working with partners to reduce air toxics emissions and implement area-specific approaches as follows:

Strategic Targets:

- By 2010, reduce toxicity-weighted (for cancer risk) emissions of air toxics to a cumulative reduction of 36% from the 1993 baseline. (Note: Text reflects information more current than that published in 2006 Strategic Plan.)

- By 2010, reduce toxicity-weighted (for non-cancer risk) emissions of air toxics to a cumulative reduction of 59 % from the 1993 baseline. (Note: Text reflects information more current than that published in 2006 Strategic Plan.)

Sub-objective 1.1.3: Chronically-Acidic Water Bodies. By 2011, due to progress in reducing acid deposition, the number of chronically-acidic water bodies in acid-sensitive regions of the northern and eastern United States should be maintained at or below the 2001 baseline of approximately 500 lakes and 5,000 kilometers of stream-length in the population covered by the Temporally Integrated Monitoring of Ecosystems/Long-Term Monitoring Survey. The long-term target is a 30% reduction in the number of chronically-acidic water bodies in acid-sensitive regions by 2030.

Strategic Targets:

- By 2011, reduce national annual emissions of sulfur dioxide (SO_2) from utility electrical power generation sources by approximately 8.45 million tons from the 1980 level of 17.4 million tons, achieving and maintaining the acid rain statutory SO_2 emissions cap of 8.95 million tons.

- By 2011, reduce total annual average sulfur deposition and mean ambient sulfate concentration by 30% from 1990 monitored levels of up to 25 kilograms per hectare for total sulfur deposition and 6.4 micrograms per cubic meter for mean ambient sulfate concentration.

- By 2011, reduce total annual average nitrogen deposition and mean total ambient nitrate concentration by 15% from 1990 monitored levels of up to 11 kilograms per hectare for total nitrogen deposition and 4.0 micrograms per cubic meter for mean total ambient nitrate concentration.

EPA's strategy for achieving the results expressed above combines national and local measures, reflecting different federal, state, tribal, and local government roles. We have found that problems with broad national impact—such as emissions from power plants and other large sources and pollution from motor vehicles and fuels—are best handled primarily at the federal level. States, tribes, and local agencies can best address the regional and local problems that remain after federal measures have been fully applied.

EPA, states, and local agencies work together to meet clean air goals cost-effectively by employing various regulatory, market-based, and voluntary approaches and programs. States are primarily responsible for improving air quality and meeting the National Ambient Air Quality Standards (NAAQS). States develop emission inventories, operate and maintain air monitoring networks, perform air quality modeling, and develop state implementation plans (SIPs) that lay out the mobile and stationary source control strategies they will employ to improve air quality and meet the NAAQS.

EPA assists states by providing technical guidance and financial assistance, issuing regulations, and implementing programs designed to reduce pollution from the most widespread and significant sources of air pollution: mobile sources, such as cars, trucks, buses, and construction equipment; and stationary sources, such as power plants, oil refineries, chemical plants, and dry cleaning operations. Interstate transport of pollutants—a problem no state can solve on its own—makes a major contribution to air pollution problems in the eastern U.S. To address this issue, EPA requires control of upwind sources that contribute to downwind problems in other states.

EPA has a trust responsibility to protect air quality in Indian country, but authorized tribes may choose to develop and implement their own air quality programs. EPA and states are working to increase the currently limited information on air quality on tribal lands, build tribal capacity to administer air programs in Indian country, and establish EPA and state mechanisms to work effectively with tribal governments on regulatory development and regional and national policy issues.

To further reduce exposure to air toxics, EPA will develop and issue federal standards for major stationary sources which, when implemented through state programs, will reduce toxic emissions by 1.7 million tons. In addition, we will conduct national, regional, and community-based efforts to reduce risks from hazardous air pollutants. Characterizing emissions and the risks they pose on national and local scales, such as in Indian country, will require significant effort. We will need to update the science and to keep the public informed about these issues.

We will develop and refine tools, training, handbooks, and information to assist our partners in characterizing risks from air toxics, and we will work with them on strategies for making local decisions to reduce those risks. We will work with state, tribal, and local agencies to modestly expand the national toxics monitoring network, and will compile and analyze information from local assessments to better characterize risk and assess priorities.

Our strategies for achieving healthier outdoor air are implemented through the following seven programs:

- Clean Air Allowance Trading Programs
- Federal Vehicle and Fuels Standards and Certifications
- Federal Stationary Source Regulations
- Federal Support for Air Quality Management
- Federal Support for Air Toxics Management
- State and Local Air Quality Management
- Tribal Air Quality Management

The first five programs are federally-implemented programs and the latter two are grant programs that support state, tribal, and local air program implementation. All these programs and their priorities for FY 2008 are described below.

CLEAN AIR ALLOWANCE TRADING PROGRAMS

This program includes development, implementation, and evaluation of federally-administered emission reduction programs that include the trading of emissions allowances. The trading programs help implement the NAAQS and reduce acid deposition, toxics deposition, and regional haze. Pollutants include SO_2, NO_X, and mercury (Hg). Current operating programs include the Acid Rain Program authorized under Title IV of the 1990 Clean Air Act (CAA) Amendments and the NO_X Budget Program (NBP), which was initially established in the late 1990s under a Memorandum of Understanding among nine states and D.C. in the Northeast Ozone Transport Region (OTR). The NBP expanded under the NO_X SIP call to double the number of affected sources and add 12 states from the Midwest and Southeast. In FY 2008, the NBP will continue to operate as preparations are completed to expand the program into the CAIR seasonal NO_X control program.

Strategy

Our strategy for using allowance trading programs to promote more cost-effective pollution control and achievement of environmental objectives includes five components:

- *Clean Air Interstate Rule (CAIR)*: Continue implementation of this rule, promulgated in May 2005, which uses the proven cap-and-trade approach based on EPA's Acid Rain Program to achieve substantial reductions in SO_2 and NO_X. CAIR is a powerful component of EPA's plan to help over 450 counties in the eastern U.S. meet health-based protective air quality standards for ozone or $PM_{2.5}$. CAIR provides a federal framework requiring states to reduce emissions of SO_2 and NO_X. All the affected states have indicated to EPA that they intend to achieve the mandated reductions primarily by controlling power plant emissions through an EPA-administered interstate cap-and-trade program. In FY 2008, states should finalize all CAIR related rulemakings and ensure that regulated sources are monitoring their emissions.

- *Clean Air Mercury Rule (CAMR)*: Together with CAIR, CAMR creates a multi-pollutant strategy to reduce power plant emissions of three of the worst air pollutants: SO_2, NO_X, and mercury. Continue implementation of this rule, also promulgated in May 2005, which establishes a cap-and-trade program option for mercury based on the Acid Rain Program model that states and the two affected tribes may adopt to achieve and maintain their emissions budgets. In FY 2008, states should finalize their CAMR related rulemakings and continue assisting sources in certifying monitoring systems for Hg emissions.

- *Existing Programs:* Implement, operate, and assess existing allowance trading programs, including the new programs and revisions to existing programs established under CAIR and CAMR.

- *New Statutory Authority:* If Clear Skies or comparable multi-pollutant program legislation is enacted, EPA will work to develop implementing regulations. Modern statutory authority that applies nationwide could be an efficient long-term mechanism for achieving large-scale multi-pollutant emission reductions.

- *Program Accountability:* Establish an integrated assessment program to include enhanced ambient and deposition monitoring, efficiency measures, and indicators to track health and environmental benefits, as called for in the recent report by the National Academy of Sciences (NAS). Operate, maintain, and modernize the Clean Air Status and Trends Network (CASTNET) monitoring network consistent with NAS recommendations, and evaluate incorporating atmospheric mercury speciation and deposition monitoring capability. Under the President's Management Agenda (PMA) and PART (Program Assessment Rating Tool) processes, program accountability—measured in terms of environmental outcomes from defined baselines—has become an essential component for all programs. Develop baselines prior to implementation of CAIR and CAMR programs. (See the discussion in Appendix A.)

Discussion

OAR's highest priority for FY 2008 is to continue timely and full implementation of the CAIR and CAMR programs. OAR is coordinating the implementation of these two programs to allow the emission reductions to be achieved in the most cost-effective manner by sources affected by both actions.

EPA will continue to administer the NBP, a multi-state market-based cap and trade program for reducing NO_X emissions and transported ozone in the eastern U.S. The initial program under the OTC went into effect in the summer of 1999 and since then has expanded every few years to include more states and sources. In 2005, there were 2,570 affected NBP sources in 19 states and D.C. An additional state and more sources were added in FY 2007 under the second phase of the NO_X SIP Call. In FY 2008, EPA will continue the effort to establish the CAIR seasonal NO_X program to replace the NBP. Six additional states affected by the CAIR seasonal NO_X program will begin monitoring and reporting emissions data.

In FY 2008, EPA will continue to assist states with implementation, especially activities related to allowance trading, emissions monitoring, and end-of-season reconciliation of emissions and allowances for affected sources. Affected units include boilers, turbines, and combined cycle units from a diverse set of industries as well as electric utility units. EPA will also assist states in transitioning their sources and allowances from the NBP into the CAIR seasonal NO_X trading program. Required NO_X monitoring for CAIR begins in 2008 (or earlier for states and sources interested in qualifying for early emissions reduction credits). The initial compliance year for the annual and seasonal NO_X control programs under CAIR is 2009.

Critical to determining the effectiveness of, and maintaining the accountability for, allowance trading programs for control of transported air pollutants is the establishment and maintenance of a robust long-term atmospheric deposition monitoring network. The existing deposition monitoring networks have been operating for over 25 years, and have provided invaluable measurements on long-term trends in acid deposition and ozone transport. For example, the CASTNET network supporting the Acid Rain Program has enabled that program to successfully

meet the performance expectations of the PMA and PART processes. However, these networks need to be modernized to ensure the continued availability of direct environmental data for program assessment. This will be critical for evaluating market-based emission reduction strategies in programs such as CAIR and CAMR. EPA is conducting a pilot study for refurbishment of these networks. More detail is provided in the Ambient Monitoring section of the accompanying grant guidance (Appendix A).

FY 2008-2009 Milestones: NO_X Budget/CAIR Seasonal Trading Program

2008: EPA completes development of program operating software and guidance for incorporating sources affected under Phase II of the NO_X SIP call into the NBP trading program and for improving public and state access to emissions and allowance data. States develop SIP revisions and propose and finalize rules for implementation.

2008: In collaboration with states, EPA publishes progress report on the NBP for the 2007 compliance season. Required NO_X monitoring and reporting for CAIR begins.

2009: Initial compliance season for the CAIR seasonal NO_X program; EPA support for NBP will be phased out.

FY 2008-2009 Milestones: CAIR/CAMR

2008: EPA completes implementing software and guidance for CAIR. EPA works with states to finalize rulemakings to establish the allowance accounts, operate the trading programs, and certify source emissions monitors.

2008: EPA works with states to complete CAMR related rulemakings. EPA assists states, tribes, and sources with mercury emissions monitoring and reporting under CFR Part 75.

2008–2009: Working with states and tribes, EPA establishes an integrated assessment program to include modernized deposition and ambient monitoring that is in-step with integrated national monitoring strategies involving core multi-pollutant sites.

2008–2009: EPA assists states and tribes in operating sites in the integrated assessment program. State and local recipients may use their air grant funds to establish, modernize, and/or operate CASTNET sites. Pre-implementation program baselines are developed.

2008–2009: Regions assist states with CAIR NO_X monitoring and EPA assists states and sources in initial compliance year for CAIR annual NO_X control program.

2009: Required SO_2 and mercury monitoring and reporting for CAIR and CAMR begin.

2010: Initial compliance year for CAIR annual and CAMR programs.

The implementation milestones listed above would also support Clear Skies or a comparable new multi-pollutant program. If legislation is enacted, EPA develops implementing regulations.

FY 2008 Milestones: Acid Rain Program

2008: Working with states, tribes, local agencies, Regional Planning Organizations (RPOs), and other partners in CASTNET, develop and begin implementation of an operations plan that will assure supportability over the next 5–10 years and will bring this network in-step with integrated national monitoring strategies involving regionally-representative core sites.

2008: Regions assist HQ in improving the efficiency of monitor certification and emissions reporting processes, especially for new sources.

2008: EPA reports progress in reducing sulfur and nitrogen deposition (annual PART measures) and progress in reducing the number of chronically-acidic water bodies in acid-sensitive regions (long-term PART measure) in addition to SO_2 emissions reduced (tons/yr) from the 1980 baseline (long-term and annual PART measures).

FEDERAL STATIONARY SOURCE REGULATIONS

This program includes activities related to maximum achievable control technology (MACT), combustion, and Area Source Standard development, the Stationary Source Residual Risk Program, New Source Performance Standards, and associated national guidance and outreach information. The strategy is to develop generally-available, control technology-based standards for the highest priority area source categories.

Completed in 2006

- Proposed and promulgated area source standards and residual risk standards according to court-ordered schedule.
- Promulgated oil and natural gas production area source standard (under court order for December 2006).
- Provided on-line risk reduction matrix for communities.
- Proposed Federal Implementation Plan (FIP) for CAMR.
- Proposed 112(k) area source standards for internal combustion engines (October 2006)
- Proposed New Source Performance Standard (NSPS) for Equipment Leaks (Subpart VV SOCMI and GGG Petroleum Refineries) (10/31/2006)
- Promulgated Consumer Products Volatile Organic Compounds (VOC) Measures 183(e) – First Group of 5 categories (9/30/2006)

Completed or In Process for 2007

- Consumer product rules for Lithographic Printing, Letterpress Printing, Flexible Packing Printing, Flat Wood Paneling Coatings and Industrial Cleaning Solvents were promulgated on 9/29/06.
- EPA is on a court-ordered deadline of 9/30/07 to publish Consumer product rules for Paper, Film, and Foil Coatings, Metal Furniture Coatings, Large Appliance Coatings, and Aerosol Spray Paints (national rule).
- Propose Advance Notice of Proposed Rulemaking (ANPRM) for Risk and Technology Review that includes 21 categories, 11 MACT for residual risk.

- Propose Notice of Proposed Rulemaking (NPRM) for Risk and Technology Review that includes 9 categories, 4 MACT for residual risk (March 2007)
- Propose Response to Remand and 5-year Review for Hospital/Medical/Infectious Waste Incineration Units.
- Propose NSPS for Petroleum Refineries (Subpart J) (4/27/2007)
- Promulgate Consumer Products VOC Measures 183(e) – Group III Categories (9/30/2007)
- Propose Implementing Periodic Monitoring in Federal & State Operating Permit Programs (7/30/2007)

FY 2008 Priorities

- Propose and promulgate area source standards and residual risk standards according to court-ordered schedule.
- Promulgate rule to flexibly address area source standards for 112(k).
- Promulgate Risk and Technology Review that includes 21 categories, 11 MACT for residual risk
- Promulgate Risk and Technology Review that includes 9 categories, 4 MACT for residual risk
- Promulgate Response to Remand and 5-year Review for Hospital/Medical/Infectious Waste Incineration Units
- Promulgate NSPS for Equipment Leaks (Subpart VV SOCMI and GGG Petroleum Refineries)
- Promulgate NSPS for Petroleum Refineries (Subpart J)
- Promulgate area source rules for stationary internal combustion engine, hospital sterilizers, and gas distribution stage I (under court order for December 2007).
- Promulgate 112(k) area source standards for internal combustion engines (October 2006)
- Propose NSPS Portland Cement (Subpart F)
- Propose NSPS Nonmetallic Minerals (Subpart OOO)
- Propose NSPS Coal Prep/Mines (Subpart Y)

FEDERAL VEHICLE AND FUELS STANDARDS AND CERTIFICATIONS

This program includes federal activities that support the development, implementation, and evaluation of regulatory, market-based, and voluntary programs to reduce pollutant emissions from mobile sources and fuels. Types of mobile sources addressed include: light-duty vehicles and engines (cars, light-duty trucks, and sport utility vehicles); heavy-duty engines (buses and large trucks); nonroad vehicles/engines (construction and farm equipment); and fuels (diesel and gasoline). The strategy for reducing emissions from mobile sources includes four elements.

- Clean Vehicles: Develop, implement and ensure compliance with stringent emission standards for cars, light-duty trucks, sport utility vehicles, buses, large trucks, and nonroad vehicles/engines.

- Clean Fuels: Implement cleaner gasoline and diesel fuel regulations and develop reformulated gasoline, diesel fuel, and non-petroleum alternatives.

- Clean Transportation Alternatives: Develop strategies to encourage transportation alternatives that minimize emissions and address continued growth in VMT.

- Clean Technology: Work with industry to certify low emission vehicles that use new engine technologies, such as clean diesel, exhaust gas recirculation for diesel, new catalyst technology, fuel cells, and hybrid-electric vehicles. Continue in-house assessment and development of clean engine and fuel technologies and conduct technology reviews to evaluate progress toward implementation of new vehicle and engine standards.

Completed in FY 2007

In 2007, EPA promulgated a final rule establishing fuel economy label values. The light-duty vehicle program is implementing the Tier2 vehicles standards. The in-use program is successfully finding and remedying in-use emission problems (over one million vehicles recalled annually). The heavy-duty program has implemented 50% more stringent standards early and will start the phase-in of standards which will be 95% more stringent. The heavy-duty in-use screening program is in place and certification and the in-use Federal Test Procedure (FTP) testing program is being developed. Toxics emission performance requirements for conventional gasoline and cleaner-burning reformulated gasoline are being implemented, and, in February 2007, EPA finalized new standards for gasoline, passenger vehicles, and portable fuel containers that will significantly reduce gaseous air toxics. By spring 2007, EPA will promulgate a final rule to implement the Renewable Fuel Standard (RFS) required by the Energy Policy Act (EPAct) of 2005. EPA will also promulgate a final rule to apply advanced after-treatment technologies to locomotives and commercial marine engines and to require low sulfur content in their fuels.

FY 2008 Priorities

- Continue to implement EPAct provisions (e.g., RFS standard, boutique fuel studies, complex model revision, study on health and environmental impacts of the renewable fuels standard, and other fuel provisions)
- Submit EPAct §1509 Fuel Harmonization Study to Congress
- Promulgate final rule to address emissions from small gasoline engines under 50 horsepower.
- Promulgate final rule to apply advanced after-treatment technologies to locomotives and commercial marine engines and require low sulfur in their fuels.
- Continue to implement manufacturer-run in-use compliance program for highway heavy-duty diesel engines and propose rule for in-use compliance program for nonroad diesel engines.
- Propose rule to reduce emissions from large commercial ships.
- Propose rule to review and revise the long-term emission standards for snowmobiles, consistent with a 2004 court order.
- Propose new harmonized test cycle for highway motorcycles in accordance with Group of Experts on Pollution and Energy (GRPE) agreement.
- Conduct final Technology Review for the 2007-2010 highway heavy-duty standards before complete phase-in of the program.

- Conduct first Technology Review for nonroad diesel standards (this review has the potential to put in place more stringent NO_X and PM standards for the smaller diesel engines used in farm and construction equipment).
- Continue to implement the 2007-2010 heavy-duty standards, Nonroad Diesel standards, low sulfur fuel requirements, and fuel-related provisions in the mobile source air toxics rule.
- Propose rule establishing on-board diagnostic (OBD) requirements for nonroad diesel engines.
- Begin assessing control strategies for gasoline PM.
- Finalize initial on-road component and incorporate nonroad sources into new transportation emission model MOtor Vehicle Emission Simulator (MOVES).
- Regions assist nonattainment areas in preparing SIPs and assist with implementation of federally-required control strategies such as vehicle inspection/maintenance (I/M) and state fuel programs.

FEDERAL SUPPORT FOR AIR QUALITY MANAGEMENT

The federal support program includes Headquarters and Regional Office non-financial support to state, tribal, and local air pollution control agencies for the development, implementation, and evaluation of programs to implement the NAAQS and reduce Regional Haze. It also includes regular reviews of, revisions to, and establishment of standards for the criteria pollutants; the development of associated national guidance and outreach information for implementation of these standards; and development of emission limiting regulations for specific categories of stationary sources. The federal support program also includes working with other federal agencies to ensure a coordinated approach, and working internationally to address sources of air pollutants that lie outside our borders but pose risks to public health and air quality within the United States. Federal financial support is addressed under "State and Local Air Quality Management" and "Tribal Air Quality Management."

Over the next several years, our focus will be on implementing the PM and ozone NAAQS including the newly revised 24-hour $PM_{2.5}$ standard. EPA will be providing opportunities for greater collaboration with states in addressing these air quality problems and an increased emphasis on innovative strategies to improve air quality. Through this process EPA will provide technical assistance to States on emission reduction measures for $PM_{2.5}$ nonattainment areas. These early reduction measures could enable some $PM_{2.5}$ nonattainment areas to be measuring clean air by the time EPA issues designations for the 24-hour $PM_{2.5}$ standard.

EPA will work to ensure that the implementation of CAIR is integrated with other NAAQS programs which will rely upon the reductions which CAIR will achieve. $PM_{2.5}$ nonattainment areas will need the reductions from CAIR to aid in achieving attainment. To a much lesser extent, ozone attainment will also rely on CAIR reductions. The integration of CAIR reductions into the Regional Haze program from the perspective of electric generating units (EGU) Best Available Retrofit Technology (BART) and overall reasonable progress is important. Finally, the coordination of the multi-pollutant benefits of CAIR with CAMR is an important role which OAQPS must fulfill.

We will continue to work with states and local air quality and transportation agencies to implement transportation conformity regulations and to ensure the technical integrity of mobile source controls in SIPs. We will also work with states, tribes, and local governments and assist them in crafting strategies that accommodate growth and economic development while minimizing adverse effects on air quality and other quality-of-life factors. This includes the development of vehicle inspection and maintenance programs to identify faulty emission controls and efforts to ensure their repair so vehicles remain clean throughout their useful life.

We have been working with states, tribes, and local agencies over the past several years to develop an integrated ambient monitoring strategy that will refocus the existing air monitoring program towards current data collection needs for ozone, PM, and air toxics. Early in FY 2007 these efforts resulted in promulgation of a final rule to revise the ambient air monitoring regulations. In FY 2007, we will work with state and local agencies, and tribes as applicable, to implement these requirements. A final National Ambient Air Monitoring Strategy document will be issued in FY 2007 also. This national monitoring strategy will provide agencies with more flexibility in designing their networks.

NAAQS – Work completed in FY 2006 or to be completed in FY 2007

In FY 2006 and FY 2007, EPA continued to develop guidance to assist states in developing their 8-hour ozone SIPs. Additional control technique guidelines (CTGs) for stationary sources of VOC were also issued. OAR issued a guidance memo on March 19, 2007 advising states to continue to make progress toward submission of SIPs by June 15, 2007. On March 22, 2007, EPA published in the Federal Register a national notice concerning nonattainment-to-attainment redesignation proposals that have already been published to alert states of possible consequences of the DC Circuit Court of Appeals Ruling on the Phase 1 8-hour ozone NAAQS implementation rule. On March 22, 2007 EPA also requested rehearing and clarification of the court ruling. Boilerplate language was also distributed for future proposed redesignations to attainment.

As of 2/07, the impacts of the 8-hour ozone implementation from the DC Circuit Court of Appeals Ruling on the Phase 1 8-hour ozone NAAQS implementation rule have not been fully determined. The request for rehearing/clarification concerning the ruling must be filed by 3/22/07. EPA plans to issue a statement at the time it files the request for rehearing/clarification that will address the implications of the request and identify next steps. EPA plans to provide language for a national notice concerning nonattainment-to-attainment redesignation proposals that have already been published to alert states of possible consequences of the court ruling. Boilerplate language is also being developed for future proposed redesignations to attainment.

As a result of the 12/06 revision to the PM NAAQS, EPA began developing guidance in 2007 to assist states in designating areas not attaining the revised 24-hour $PM_{2.5}$ standard. Currently, EPA is addressing comments to finalize the implementation rule for the 1997 $PM_{2.5}$ NAAQS. The timing and next steps for the final PM Implementation Rule are impacted by the DC Circuit Court of Appeals Ruling on the Phase 1 8-hour ozone NAAQS implementation rule.

Based upon a review of the 2005 air quality data, EPA identified five areas with newly discovered violations of the 1997 $PM_{2.5}$ NAAQS, 21 newly discovered areas violating the PM_{10} NAAQS and one newly discovered area violating the CO NAAQS. These air quality data reports were provided to the states and they are currently addressing the causes of the violations.

Of the original 126 8-hour ozone nonattainment areas, the Regions have redesignated 14 nonattainment areas to attainment and reclassified 2 unclassifiable areas to attainment. Additionally, three 8-hour ozone areas have been proposed for redesignation.

On 2/9/06, EPA published findings that Indiana, Illinois, Kentucky, Michigan, and Virginia failure to submit complete SIPs for Phase II of the NO_X SIP Call. Regions are working closely with these states and expect all states to submit complete Phase II NO_X SIP Call SIPs before the end of 2006. EPA proposes a response to Petition for Reconsideration of the inclusion of Georgia in the NO_X SIP Call. The petition was filed by the Georgia Coalition for Sound Environmental Policy. The NO_X SIP Call requirements for Georgia have been stayed for the period of time that we review and respond to the petition.

States are working with the Regional Offices on SIPs to address the CAIR requirements. EPA HQ will withdraw the CAIR FIP in a state in coordination with the CAIR SIP approval. Alternatively, states may submit “abbreviated” CAIR SIPs to replace certain elements of the CAIR FIP. EPA will complete final action by 9/30/07 on approvable full CAIR SIPs submitted by the 9/11/06 due date and on approvable "abbreviated" CAIR SIPs submitted by the 3/31/07 due date. As of 2/1/07, the six states have submitted CAIR SIPs.

The recent assessment of the NAAQS program by OMB using PART rated the program as “adequate.” The PART process established long-term and annual performance goals and measures with which to assess program performance. These are listed below along with their current status:

	Baseline Date	Target Date(s)	Target	Actuals
Long-Term Performance Measures				
NAAQS				
Percent reduction in population-weighted ambient concentrations of ozone in all monitored counties.	2003	2015	14%	
Percent reduction in population-weighted ambient concentration of $PM_{2.5}$ in all monitored counties.	2003	2015	6%	
Regional Haze				
Percent improvement toward natural background conditions on 20% worst days, on average for all eastern Class I areas.	2000-2004	2015	15%	
Percent improvement toward natural background conditions on 20% worst days, on average for all western Class I areas.	2000-2004	2015	5%	
Annual Performance Measures				
NAAQS				
Percent reduction in population-weighted ambient concentrations of ozone in all monitored counties.	2003	2005 2006 2007 2008	3% 5% 6% 8%	6% Data available mid 07
Percent reduction in population-weighted ambient concentration of PM2.5 in all monitored counties.	2003	2005 2006 2007 2008	2% 2% 3% 4%	5% Data available mid 07
Regional Haze				
Percent improvement toward natural background conditions on 20% worst days, on average for all eastern Class I areas.	2000-2004	2006 2007 2008	7% 8% 9%	Data available early 08

NAAQS – Priorities for FY 2008

Headquarters

- Provide annual air quality reports for all criteria pollutants to Regions by 8/1/07.
- Work with Regions to encourage and support innovative and voluntary projects
- Continue to coordinate and provide technical and policy guidance to the Regions on ozone, $PM_{2.5}$ and Regional Haze implementation programs
- Continue support for designations for the revised 2006 $PM_{2.5}$ NAAQS.
- Complete final evaluations of Early Action Compact (EAC) area progress
- Provide guidance as needed to Regions on implementation of 8-hour ozone NAAQS.
- Provide technical assistance on the Agency's "Clean Air" Initiatives, the ozone and PM NAAQS, and other programs.
- Provide support in responding to litigation as necessary on CAIR.
- Assist Regions in implementing the final regulations for new and modified sources in Indian country.

- Conduct site visits, review quarterly data, and monitor progress of combined animal feeding operations (CAFO) monitoring study.
- Coordinate best management practice (BMP) studies with USDA for CAFO minimizing emissions.
- Continue outreach and education of public and animal industry on CAFO air emission issues.
- Continue development of CAFO emission estimation methodologies.
- Explore/evaluate potentially available tools to develop the CAFO process-based model for emission estimates.
- Finalize the CAFO Strategy.
- Provide technical direction to industry/academic groups conducting their own CAFO studies so their quality assurance and monitoring protocols will be consistent with monitoring study.

Regions

- Review annual air quality reports and work with states to develop appropriate actions addressing areas newly discovered violating the NAAQS.
- Review and take action within 18 months of receipt of any redesignation requests.
- Complete actions on SIPs that were due in 2006 (RACT, CAIR).
- Hold periodic calls with states concerning status of submittals that were due in 2007, e.g., attainment demonstrations, CAIR.
- Take rulemaking action on any complete 8-hr Ozone Attainment SIPs and $PM_{2.5}$ SIPs within 18 months of receipt.
- Review 8-hr ozone air quality reports and work with states to develop appropriate actions dealing with areas newly discovered violating the 8-hr ozone NAAQS.
- Work with states to submit the 2006 emission inventories of criteria pollutants for larger point sources required by the Consolidated Emission Reporting Rule, via Central Data Exchange by June 1, 2008.
- Work with states to encourage and support innovative and voluntary projects
- Make attainment determination by December 31, 2007 for remaining EAC areas with designation deferrals and take required action by April 15, 2008.
- Determine by December 31, 2007 whether marginal areas attained the 8-hr ozone NAAQS by their attainment date and take appropriate reclassification action as necessary.
- Process any requests for voluntary reclassification, including subpart 1 areas.
- Provide technical assistance on EPA's "Clean Air" Initiatives, the ozone and PM NAAQS, Regional Haze, and other programs.
- Conduct reviews of 2008 Reasonable Further Progress plans for areas projected to attain revised $PM_{2.5}$ NAAQS more than 5 years from the date of designation.

Regional Haze – Priorities for FY 2008

- HQ and Regions continue outreach to Federal Land Managers (FLMs) on regional haze issues.
- HQ continues to coordinate with Regions and provide technical and policy assistance on regional haze SIPs.
- Regions take rulemaking action on any complete Regional Haze SIPs within 18 months of receipt.

- Regions review BART determinations in Regional Haze SIPs.
- Regions assist HQ in preparing report on projected reductions from BART and other control measures included in the Regional Haze SIPs.

Ambient Monitoring – Work completed in FY 2006 or to be completed in FY 2007

In FY 2007, EPA finalized the National Ambient Air Monitoring strategy and supporting guidance on network assessments. This strategy will allow states to significantly reconfigure ambient monitoring networks to better address current air quality priorities. EPA also updated existing monitoring regulations (40 CFR 53 and 58) to encourage the development of continuous $PM_{2.5}$ and $PM_{10-2.5}$ instruments; allow state/local agencies more flexibility in the number of monitoring sites; require 5-year network assessments; and, establish NCore and limited $PM_{10-2.5}$ monitoring requirements. As a result of these rule changes, EPA provided assistance to state/local agencies to understand and apply these new monitoring provisions. EPA also provided equipment, installation, and training support for changeover to IMPROVE-style carbon samplers at 54 of the $PM_{2.5}$ speciation trends and supplemental sites, following an earlier recommendation from a subcommittee of the Clean Air Science Advisory Committee. More sites will be converted in 2008.

Ambient Monitoring – Priorities for FY 2008 (NAAQS)

Headquarters

- Manage the national contracts for filter purchases.
- Monitor timeliness and completeness on the national scale for EPA-supported monitoring and flag still-unresolved issues for Regional Office resolution
- Monitor for backlog of unresolved critical review records and flag for Regional Office resolution.
- Review data certification documentation and set certification flags on AQS data where certification/quality assurance (QA) requirements have been met
- Publish/Prepare national report on precision and bias performance by 9/30/2008.
- Coordinate with Regions to ensure the independent QA of NAAQS monitoring sites.
- Publish/prepare national report on 2007 Performance Evaluation Program (PEP) and National Performance Audit Program (NPAP) findings within 2 months of each audit and overall by 7/1/08.
- Manage the national contract for laboratory analysis of filters for speciation including providing data to review by states and submitting data to Air Quality Subsystem (AQS). Certify data on AQS by 7/31/08.
- Provide equipment and installation/training support for changeover to IMPROVE-style carbon samplers at more of the remaining $PM_{2.5}$ speciation trends and supplemental sites, via national contractor/vendor.
- Award/manage interagency agreement with National Park Service for operation of IMPROVE monitors for regional visibility. Allow states/tribes to use this mechanism for IMPROVE-protocol sampling at other locations.
- Review and approve/disapprove requests for Federal Equivalent Methods (FEM) for continuous $PM_{2.5}$ methods within 120 days of application, and similarly act on each first request for each Approved Regional Method (ARM).

- Encourage, review and approve/disapprove requests for FEMs for $PM_{10-2.5}$ within 120 days of application.
- Provide a monitoring session at one or more national conferences sponsored by EPA. The next full national monitoring conference will tentatively be held in FY 2009.)

Regions

- Identify and resolve completeness and timeliness issues with regard to quarterly data submission by monitoring agencies.
- Evaluate submitters' annual data certification requests and documentation and forward to HQ when adequate.
- Review requests for changes in state monitoring plans and act on them within 120 days.
- Perform Technical Systems Audits on 1/3 of reporting organizations, or as required to achieve an audit of each agency within a 3-year period.
- Review and approve/ disapprove second and later requests for ARMs, if any.
- For AQS data records referred to Regions by OAQPS because they have been flagged as statistically unusual in the AQS Critical Review Report, work with the state/local monitoring agency to resolve data validity question and report back to OAQPS. Regions optionally may be first users of the Critical Review Report to identify outliers that may be errors, and resolve these with the submitting agency without waiting for OAQPS to refer specific values.
- Review precision and accuracy results for state/local monitoring given in annual network reports and seek corrective action by monitoring agencies where needed.
- Manage contracts for independent performance audits of state/local monitor networks (PEP and NPAP) for states choosing that approach to independent audits. Some Regions only.

Title V and NSR – Work completed in FY 2006 or to be completed in FY 2007

Regarding the Title V operating permits program, HQ completed action on eight petitions received in FY 2006 (25% of the total received). HQ also completed actions on 100% of petitions with court-ordered deadlines. For NSR, a number of rules were finalized or will be finalized by the end of FY 2007, including the: Debottlenecking/Aggregation/Project Netting Rule; NSR EGU Rule; Tribal NSR Rule; Fugitive Emissions Rule; and, $PM_{2.5}$ Increment Rule. EPA also completed action on 40 CFR Part 51, Appendix S incorporating NSR Reform provisions that were promulgated 12/31/02. Two rules were addressed by the DC Circuit Court in 2007. The Court vacated the final rule to remove the pollution control project and clean unit provisions of NSR Reform. As part of the same decision, the Court remanded EPA to clarify the "reasonable possibility" recordkeeping standard in the NSR Reform rule. While the 8-hour ozone phase 2 reconsideration rule was published final on 12/19/06, it may be impacted by the DC Circuit Court's recent ruling on 8-hour ozone.

Along with the NAAQS program, EPA's air permitting programs (the Title V Operating Permit Program and the New Source Review program) and Air Quality grants program (See State and Local Air Quality Management chapter) were also assessed via the PART. The Air Quality Grant and Permitting programs were rated as Ineffective—primarily due to the lack of suitable performance goals and measures. For future PART program assessments, the long-term

and annual performance goals and measures listed below were established. The latest status information is also shown.

Title V Operating Permits Program	Target Date(s)	Target	Actuals
The percentage of new Title V operating permits issued within 18 months of receiving a complete permit application.	2005 2006 2007 2008	79% 83% 87% 91%	79% 83%
The percentage of significant Title V operating permit revisions issued within 18 months of receiving a complete permit application.	2005 2006 2007 2008	88% 91% 94% 97%	88% 91%
New Source Review Program			
The percent of major NSR permits issued within one year of receiving a complete permit application.	2005 2006 2007 2008	65% 70% 75% 78%	69% 70%

Title V and NSR – Priorities for FY 2008

Headquarters

- Support Regions in issuing permits and evaluating Title V and NSR permit programs.
- Support and maintain Title V permit activity database (TOPS).
- Support tribal efforts in developing Title V and NSR permitting programs and delegation requests.
- Continue to assist Regions on NSR regulatory revisions and proposed regulations.
- Continue to assist Regions in implementing the final regulations for new and modified sources in Indian Country.
- OAQPS and Regions continue collaboration efforts to determine ways to reduce the resources burden that the proposed Tribal NSR rules might cause to Regions. The focus areas are: development of application forms, general permits (for certain minor source categories) and source category-specific guidelines, and exploring various ways to do outreach.
- Continue to modify existing NSR permit regulations, as necessary, to be consistent with the Agency's "Clean Air" initiatives, and the ozone and particulate matter NAAQS.
- Prepare and issue final orders on citizen petitions based on drafts from Region.
- Provide training and technical guidance to the Regions on final new regulations, as necessary.

Regions

- Review proposed initial, significant modifications and renewal operating permits, as necessary, to ensure consistent implementation of the Title V program.
- Report active Title V permits via TOPS and update all applicable TOPS data.
- Report outstanding renewals of Title V permits (permits older than five years that have not been renewed).

- Continue to assist permitting authorities on NSR regulatory revisions and proposed regulations**.**
- Prepare draft orders to citizen (public) petitions, based upon OAQPS' petition handling process.
- Issue Title V permits to respond to objections where permitting authority refuses to act.
- Perform 1/4 of second-round Title V permit program evaluations and set target to issue evaluation report within 90 days of evaluation.
- Continue outreach to the public such as promoting the Title V web-based citizen training.
- Evaluate NSR permit programs, as warranted, and set target to issue reports within 90 days of evaluation.
- Provide training and technical guidance and support to permitting authorities and the public, as necessary.
- Take action on all NSR SIP/TIP's submitted in FY 2006 and FY 2007.
- Complete issuance of initial Title V permits on tribal and other federal lands
- Review major NSR /PSD permits for new and modified sources, as necessary, to ensure consistent implementation of the NSR program.
- Provide End-of-Year Regional Progress Report for status of EPA review of NSR permits.
- Implement recommendations of the OIG related to its Title V Program Review.

Mobil Sources - Work completed in FY 2006 or to be completed in FY 2007

- Revised the transportation conformity rule to include requirements for project-level transportation conformity determinations in $PM_{2.5}$ and PM_{10} areas and issued associated guidance for qualitative hot-spot analyses.
- Proposed revisions to make the transportation conformity rule consistent with the CAA amendments contained in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).
- Issued SIP and conformity guidance on estimating and using emission reductions from diesel retrofits.
- Issued the Boutique Fuels rule as required by the Energy Policy Act.
- Revised the I/M regulations to address I/M requirements in 8-hour ozone nonattainment areas.

Mobile Sources – Priorities for FY 2008

Headquarters

- Work with Regions to assist states in developing, implementing, and transitioning I/M, OBD, and fuel programs.
- As necessary, assist Regions in processing conformity determinations made by metropolitan planning organizations or state agencies.
- As necessary, assist Regions in making adequacy determinations for identified mobile source budgets in control strategy SIPs and maintenance plans submitted by states.

Regions

- Assist states in developing, implementing, and transitioning mobile source control strategies such as I/M, OBD, and state fuel programs.
- Assist state and local agencies in evaluating and promoting public comprehension of the need to maintain vehicles when OBD light is illuminated.

- Assist states and local air quality and transportation agencies in future conformity determinations as needed.
- Review and comment on transportation conformity determinations made by metropolitan planning organizations or state agencies.
- Complete processing of transportation conformity SIPs submitted by states in FY 2007 as necessary.
- Make adequacy/inadequacy determinations, as necessary, for identified mobile source budgets included in control strategy SIPs and maintenance plans submitted by states and/or approve/disapprove such budgets at the time of SIP processing.
- Work with OTAQ to provide training in the use of the MOtor Vehicle Emission Simulator (MOVES) model, and review modeling results for state and local agencies.
- Work with states to develop creditable mobile source programs.

Performance Track

The Office of Air and Radiation continues to support Performance Track (http://www.epa.gov/performancetrack), an Agency-wide program that encourages continuous environmental improvement through the use of environmental management systems, local community involvement, and measurable environmental results. OAR has worked with Performance Track to develop Air incentives (http://www.epa.gov/performancetrack/benefits/regadmin/air.htm) for member facilities. Regional air programs are encouraged to promote adoption of these incentives by the states and assist in their implementation. Through further collaboration with Performance Track, OAR is offering an energy use reduction challenge for non-transportation energy use to first-time or renewing Performance Track applicants. In order to receive credit for the challenge commitment, the facility must commit to reducing its energy use by at least 10 percent before normalizing.

FEDERAL SUPPORT FOR AIR TOXICS PROGRAMS

The federal support program includes Headquarter and Regional Office non-financial support to state, tribal, and local air pollution control agencies for: modeling, inventories, monitoring, assessments, strategy and program development; community-based toxics programs; voluntary programs including those that reduce inhalation risk and those that reduce deposition to water bodies and ecosystems; voluntary efforts to address emissions from the 11 million existing diesel engines that are not subject to the new, more stringent emission standards that take effect in 2007 and later; international cooperation to reduce transboundary and intercontinental air toxic pollution; National Toxics Inventory (NTI) development and updates; Great Waters; and Persistent Bioaccumulative Toxics (PBT) activities. It also includes training for air pollution professionals. In addition, it includes activities for implementation of MACT standards and the National Air Toxics Assessment (NATA). Our strategy has five components:

- Work with partners to improve the technical specifications and procedures for the National Air Toxics Trends Stations (NATTS) ambient monitoring network, to support short-duration local-scale (also known as community-scale) monitoring studies, and to develop improved emission factors. (Federal funding support for the NATTS network and local-scale monitoring studies is addressed under State and Local Air Quality Management, below.)

- Implement a residual risk program and support community assessment and risk reduction projects, and compile and analyze the information collected from them to better characterize risk and assess priorities for further action.
- Provide technical expertise and support to state, local, and tribal air toxics programs in assessing and reducing major stationary source, area source, and mobile source air toxics.
- Continue to develop and improve risk assessments and management methodologies.
- Innovative approaches to complement regulatory efforts, such as diesel engine retrofits, rebuilds and replacements, and anti-idling measures, that will achieve emission reductions from the existing diesel fleet not subject to new emission standards.

EPA activities that assist in the toxics reduction strategy include EPA's National Emissions Inventory (NEI), NATA, air quality modeling, the National Clean Diesel Campaign (NCDC), and data analysis programs. In addition, the Air Toxics Monitoring Program indirectly and in some cases directly supports all the technical tools as well as the programs noted above.

Air Toxics Implementation – Work completed in FY 2006 or to be completed in FY 2007

In FY 2007, EPA completed a limited draft 2002 NATA that focused on risks from major source categories which are scheduled for review under the Residual Risk program. We also began collecting and estimating 2005 emission inventory data for hazardous air pollutants (HAPs). Due to a planned transition to a new emission inventory system, EPA is not developing a full HAP inventory for 2005. The next full HAP inventory will be for 2008.

EPA also focused on an expanded community air toxics program efforts ((i.e., Urban Air Toxics Strategy (UATS) and Community Action for a Renewed Environment (CARE)). Through these efforts, EPA is providing assistance to states, local agencies, and tribes to develop and implement voluntary air toxics programs addressing outdoor, indoor, and mobile sources. Of particular interest in FY 2007 were EPA's efforts to address Outdoor Wood-fired Hydronic Heaters (OWHH, aka outdoor wood boilers). Numerous states and NESCAUM identified OWHH as a critical and growing local air pollution issue. States and local authorities were receiving many complaints from citizens who were concerned of the potential health impacts. To support this need, EPA developed and began implementing a 2-part strategy that includes both voluntary and regulatory aspects.

Part 1 was the development of an EPA Phase 1 Voluntary Program in which the manufacturers signed Partnership Agreements committing to develop cleaner (~70% lower emissions) OWHH by next heating season. Models that qualify will have orange hangtags and other outreach materials designed by EPA and will be listed on the EPA website at www.epa.gov/woodheaters. Eleven manufacturers representing over 80% of current U.S. sales have signed agreements. Several are expected to have cleaner OWHH by 4/07 and the rest by Fall 2007 or sooner. This is much sooner than EPA could develop and implement a Federal rule and sooner than most states could adopt state rules.

Part 2 was EPA providing financial and technical assistance to ensure a sound foundation for NESCAUM to develop a model rule to promote common regulatory standards across state and local areas. The model rule is based on meeting the PM NAAQS. The model rule specifies emission limits and labeling for new OWHH and setbacks and stack height minimums for both

new and existing OWHH. Over 20 states and many local authorities are expected to use this model rule as they adopt rules over the next few years.

In addition, EPA launched a significant outreach and education effort to make the public aware of the new, cleaner and more efficient OWHH and best practices for existing OWHH. For more info, see www.epa.gov/woodheaters.

Also in FY 2007, EPA proposed a FIP for states that did not submit an approvable emission reduction plan under the CAMR. EPA also continued preparing for implementation of the CAMR trading program, including progress in developing the reporting/compliance data system and technical guidance on source emissions monitoring.

EPA, in FY 2007, also continued to support the National Clean Diesel Campaign and assist states, local agencies, and tribes in developing voluntary mobile source air toxics programs and to implement voluntary emission control retrofit programs for existing heavy-duty diesel engines, school buses, construction equipment, and ports.

Air Toxics Implementation – Priorities for FY 2008

Headquarters

- Continue to develop and test new NEI process and Emission Inventory System (EIS) in preparation for 2008 NEI.
- Collaborate with Regions and states/local agencies/tribes (S/L/Ts) on development of the new NEI process and EIS.
- Work with Regions to determine the focus for community air toxics programs in support of the UATS and CARE.
- Continue to develop tools and guidance for communities.
- Work with Regions in development of area source standards.
- Continue to develop residual risk analyses for MACT and/or GACT standard source categories.
- Work with Regions to assist S/L/Ts to develop and implement voluntary air toxics programs that address outdoor, indoor, and mobile sources.
- Work with the Regions to assist S/L/Ts to develop voluntary mobile source toxics programs and implement the National Clean Diesel Campaign.
- Work with Regions to encourage and support innovative and voluntary projects.
- Continue to prepare for the first compliance year under CAMR.

Regions

- Review new NEI process and EIS components and assist S/L/Ts with similar reviews. Provide feedback to HQ on new NEI process and EIS components
- As appropriate, work with HQ in developing flexible and risk-based programs.
- Assist S/L/Ts where appropriate in conducting data analysis and assessment for air quality management implications in general. (Applicable to states conducting air toxics monitoring regardless of funding source.)
- Work with states to develop and implement area source programs.
- Delegate and provide implementation assistance to S/L/Ts for §111, 112, and 129 standards, as needed.

- Implement §111, 112 and 129 standards in areas where states do not.
- As appropriate, assist HQ in development of area source standards.
- Assist HQ in determining the focus for community air toxics programs in support of the UATS and CARE, where appropriate.
- As appropriate, participate in residual risk analyses for MACT and/or GACT standard source categories, and standard setting process.
- Work with communities (e.g., CARE communities/projects) to assess and address sources of air toxics, including use of voluntary air toxic reduction programs.
- Work with HQ to assist interested S/L/Ts to develop voluntary, mobile source air toxics programs, and implement voluntary emission control retrofit programs for existing heavy-duty diesel engines, school buses, construction equipment, and ports.
- Provide training to states and tribes on air toxics program requirements.
- Work with S/L/Ts to implement their risk-based air toxics program. Specifically, assist S/L/Ts to: 1) implement the residual risk requirements of the MACT program, and 2) assess and address the combined impact of multiple sources of air toxics, encouraging voluntary reductions of air toxics from indoor and outdoor sources, as appropriate.

Air Toxics Monitoring – Work completed in FY 2006 or to be completed in FY 2007

Following the announcement of expanding the National Air Toxics Trend Stations (NATTS) program in OAR's FY 2007 NPM Guidance, EPA has been working with state/local partners to develop specific plans for expanding the existing NATTS Network. Additionally, EPA conducted Proficiency Testing and Technical Systems Audits for national contract labs and state/local labs servicing NATTS and provided a mechanism for optional participation of state/local laboratories in Proficiency Testing (at cost). In FY 2007, EPA issued guidance on the flagging of air toxics monitoring data to convey quality assurance metadata to users. At the 9/06 National Air Toxics Data Analysis Workshop, EPA provided a national/regional-scale air toxics monitoring data analysis report with conclusions relevant to air quality management and future monitoring initiatives. Work also continued with EPA's air toxics monitoring partners on the appropriateness of new methods for acrolein and hexavalent chrome, first introduced to the NATTS program in 2006.

In FY 2007, EPA also continued to work with the National Atmospheric Deposition Program (NADP) participants and others to develop a framework, technical procedures, and initial sites for a proposed new national monitoring program for speciated mercury, which will support calculation of mercury dry deposition.

Air Toxic Monitoring – FY 2008 Priorities

Headquarters

- Manage national contract for NATTS lab analysis.
- Conduct Proficiency Testing and Technical System Audits for national contract lab and state/local labs servicing NATTS, and report results within 60 days of audit after opportunity for state/local lab review of draft audit report.
- Provide national/regional-scale analysis of currently available air toxics data by 9/2008, with conclusions relevant to air quality management and future monitoring initiatives.
- Hold National Air Toxics Data Analysis Workshop by 9/08.

- By 8/2008, post Request for Proposals for biennial (8/09) competition for community scale air toxics monitoring projects.
- Provide mechanism for optional participation in Proficiency Testing (PT) and Technical System Audits (TSAs) by labs who are not direct NATTS participants. (Cost would be borne by the state/local lab.)
- Provide tools and guidance for analyzing local air toxics data for air quality management implications.
- Review NATTS Technical Assistance Document; issue interim updates as appropriate.
- Continue the expansion of the ambient mercury monitoring network by funding a small number of sites and recruiting and assisting other site sponsors.

Regions

- Participate in at least 50% of TSA lab and field site audits.
- Track status and coordinate needed follow-up actions between the program office and S/L/Ts in support of the NATTS QA program (e.g., TSA and PT activities).
- Review QA programs and ensure compatibility of air toxics measurements across community scale monitoring projects and NATTS.
- Ensure QAPP is adequate to provide quality data for submission to AQS and/or ensure that the project results meet the requirements of the approved QAPP.
- Assess and review existing air toxics networks, and assist S/L/Ts in siting, installing, and operating new and upgraded toxic monitoring equipment, and ensure all NATTS and EPA-funded community-scale monitoring project data are submitted to AQS in manner prescribed by national guidance.
- Work with OAQPS and state and local agencies to lower method detection limits at state/local laboratories.

STATE AND LOCAL AIR QUALITY MANAGEMENT

The state and local air quality management program includes funding to assist state and local air pollution control agencies in developing and implementing programs to attain and maintain the national ambient air quality standards (NAAQS) and to assess, prevent and control air pollution such as hazardous air pollutants. The program also provides funding to regional haze planning organizations, interstate transport commissions, and other multi-jurisdictional organizations (composed of state and local representation) to help coordinate air quality improvement efforts. Funding is also provided on a competitive basis to reduce diesel emissions from the existing diesel fleet and from school buses through the Clean School Bus USA program. State, local, and tribal agencies also maintain Title V operating permit programs for major stationary and other sources but Title V activities are funded through permit fees and are not grant-eligible. Conversely, Title V permit fees should not be used to fund grant-eligible activities.

State, local and tribal grant assistance is appropriated by Congress under the Agency's State and Tribal Assistance Grants (STAG) appropriation. State and local air programs are funded under §105 of the Clean Air Act (CAA) with recipient agencies providing matching resources at no less than 40% of the total approved §105 program costs. Section 103 of the Act provides 100% federal funding to state, multi-jurisdictional, and local entities, including universities and

other non-profits, to conduct studies, investigations, experiments, demonstrations, surveys, training, and certain forms of research, on the nature, prevention, causes and effects of air pollution. Eligibility for some grants awarded under §103 authority may be limited to certain types of applicants pursuant to specific conditions outlined in EPA's enacted budget and/or as directed by Congressional appropriation. Interstate air pollution control agencies, including interstate transport commissions, receive funds under §106 which also requires a recipient match. Additional information on the use of STAG resources is contained in Appendix A.

Strategy

EPA's strategy for achieving clean outdoor air includes a comprehensive, multi-pollutant approach that combines national, regional, and local measures with responsibilities for implementation carried out by the most appropriate and effective level of government. Problems with broad national or global impact are best handled at the federal level. State, local, and tribal agencies can best address regional and local problems that remain after federal measures are applied. In implementing the state and local air quality management component of this strategy EPA will:

- Work with state, local, and other governmental partners to target available STAG resources to those air pollution problems which pose the greatest risk to public health (e.g., fine particulates, ozone, and hazardous air pollutants);
- Allocate resources to address not only the attainment of $PM_{2.5}$ and 8-hour ozone NAAQS, but also support ongoing state and local air program operations and delegated programs which help maintain healthy air quality;
- Encourage support for regional and community-scale strategies that complement the impacts of federal measures (i.e., early ozone reductions, voluntary diesel retrofits and other mobile source initiatives, integrated air toxics risk assessment and reduction projects);
- Target significant resources to recipients to develop, refine, and maintain monitoring systems and emission inventories which help provide a clear picture of the nature and sources of air pollution and help gauge the impacts of preventive and mitigative measures employed;
- Support the efforts of regional haze planning organizations to develop information and strategies for use by states and tribes in reducing haze and improving visibility across the country, including formerly pristine areas;
- Provide resources that focus on transboundary or binational, geographically-specific environmental issues involving a multi-pollutant, multi-state, and sometimes a multi-media approach;
- Provide support for training and other associated program support to assist state, local, multi-state, and other agencies in addressing their air pollution problems; and
- Provide resources to eligible entities to support diesel engine retrofits, rebuilds and replacements, and anti-idling measures that target reductions from the existing diesel fleet in five sectors: freight, construction, school buses, agriculture, and ports.

Inherent in these efforts is EPA's policy to ensure that collaborative and timely consultation occurs with its partners in the areas of planning, priority-setting, and budgeting. It is the policy of OAR and the Regions to seek prior consultation with its partners on the allocation and use of

grant resources. EPA will continue to work with the Environmental Council of States (ECOS), the National Tribal Air Association (NTAA), and the National Association of Clean Air Agencies (NACAA - formerly STAPPA-ALAPCO) to identify and resolve issues associated with the purposes, distribution and use of grant resources.

EPA continues to place high priority on effective grants management including proper use of authorities for award, effective use of competition where appropriate, articulation and reporting of programmatic and environmental results, and effective oversight of agreements including compliance with programmatic terms and conditions. More information on specific grant priorities and critical grant management topics is contained in Appendix A.

Status

Over $4.6 billion in air grant assistance has been provided to state, local, and multi-state agencies since enactment of the 1963 CAA. This has been complemented with over $7.7 billion in matching resources from state and local governments over the same period. Federal assistance is provided by Congress via the State and Tribal Assistance Grants (STAG) Appropriation.

For FY 2007, the 109th Congress did not complete action on EPA's budget before the end of their 2nd session but did establish a Continuing Resolution providing partial funding for the Agency, including the STAG program. The 110th Congress addressed this situation by approving a year-long Continuing Resolution which provided STAG resources to the Agency at its FY 2006 enacted level and which again extended the Agency's use of §103 authority for $PM_{2.5}$ monitoring. EPA's FY 2007 operating plan distributed STAG funds differently from the FY 2006 enacted levels—providing approximately $199.8 million for state/local air quality management. OAR has produced a revised air grant distribution which attempts to minimize negative impacts on state/local program operations.

For FY 2007, a major portion of continuing program funds continued to be devoted to implementing efforts to attain the NAAQS for 8-hour ozone and $PM_{2.5}$. This included emission inventory, modeling, and early reduction efforts as well as innovative voluntary, mobile source and market based approaches such as the NO_X/CAIR Budget Program. Additional priorities included implementing: air toxics reduction programs through technology-based and delegated residual risk standards, voluntary vehicle emission control retrofit programs for heavy duty vehicles and school buses, and regional haze reduction programs. EPA and its partners also continued to devote significant grant resources to the various ambient air monitoring networks including air toxics. EPA continued its joint efforts with state, local, tribal, and multi-jurisdictional agencies to align ambient air monitoring resources pursuant to the requirements of recent amendments to the monitoring rules and the objectives of the integrated National Ambient Air Monitoring Strategy.

In 2007, EPA and NACAA continued their joint effort to review and update the framework used to allocate STAG funds among air pollution priorities and among Regions and states. This included the identification of a process, guiding principles and relevant data. Additional steps will include the development of factors and algorithms; the assessment of allocation options; the selection of an allocation scheme; and the development of a practical implementation approach beyond FY 2008. EPA will continue to work with NACAA throughout FY 2008 on the completion and orderly implementation of a revised STAG allocation framework.

For FY 2008, the President's budget request includes over $239 million in STAG funds to support state, local, and tribal air and radiation program activities. This includes $184.2 million for continuing air programs (including monitoring for fine particulates and air toxics, $1 million in §103 funds for regional haze planning, $10.9 million for tribal air programs, $8.1 million for indoor radon programs and $35 million for an expanded Clean Diesel program. Changes in funding include a $16.4 million reduction in funding for the $PM_{2.5}$ monitoring program (to $25.5 million which is now included within the continuing §105 program) and a $3.9 million reduction for regional haze planning support. The decrease in federal funding for the $PM_{2.5}$ monitoring program reflects the successful establishment of a now-mature $PM_{2.5}$ monitoring network, making it appropriate to expect states to provide matching funds under §105 of the CAA. The decrease in funding for regional haze planning support reflects the near completion of the work of the Regional Haze Planning Organizations (RPOs) in support of the development of the states' initial regional haze plans, and EPA's belief that the future role of and funding for the RPOs should mostly be a matter of state discretion rather than an EPA determination.

For FY 2008, a major portion of continuing program funds will continue to be devoted to implementing efforts to attain the NAAQS for 8-hour ozone and $PM_{2.5}$. This includes emission inventory, modeling, and early reduction efforts as well as innovative voluntary, mobile source, and market based approaches such as the NO_X/CAIR Budget Program. Additional priorities include implementation of: air toxics reduction programs through technology-based and delegated residual risk standards, voluntary vehicle emission control retrofit programs for heavy duty vehicles and school buses, and regional haze reduction programs. EPA and its partners will also continue to devote significant grant resources to the various ambient air monitoring networks including fine particulates and air toxics.

EPA will continue to work with NACAA and the other multi-jurisdictional organizations (MJOs) to effectively implement the FY 2008 program given the changes in the FY 2008 air grant assistance amounts.

Status and Accomplishments

States have achieved widespread attainment of standards for several of the criteria pollutants: CO, SO_2, NO_2 and Lead. Specifically:

Carbon Monoxide (CO)

- Designated 78 areas, affecting 69.8 million people, as nonattainment for CO in 1992.
- Six nonattainment areas remain, consisting of all or parts of 10 counties with a total population of 15.5 million people. All six areas have monitoring data measuring attainment of the CO NAAQS.
- There is one area newly violating the CO NAAQS – Hancock County, West Virginia. The point source causing the violation is shut down.

Sulfur Dioxide (SO_2)

- Designated 54 areas, with a total population of 9.8 million people, as nonattainment for SO_2 in 1992.

- Eleven nonattainment areas remain, consisting of all or parts of ten counties and with a total population of 1.1 million people. All 11 areas have monitoring data measuring attainment of the SO_2 NAAQS.
- There is one newly violating area, Volcanoes National Park in Hawaii. Due to natural emissions, air did not meet the 3-hour standard nor the 24-hour standard in 2004-2005.

Nitrogen Dioxide (NO_2)

- There are no designated NO_2 nonattainment areas and all areas continue to meet the NAAQS.

Lead (Pb)

- Designated 13 areas, with a total population of 1.8 million people as nonattainment for Pb in 1992.
- Two nonattainment areas remain: the East Helena Area portion of Lewis and Clark Counties, Montana; and the area within the city limits of Herculaneum in Jefferson County, Missouri. Air quality monitoring is no longer conducted in the Montana area and air quality in the second area is violating the NAAQS.
- Missouri is revising their SIP to address the Jefferson County nonattainment problem.
- There is one area (Delaware County, Indiana) that is designated as attainment with a monitor that is violating the lead NAAQS.

PM_{10}

- Designated 86 areas, with a total population of 35.8 million people, as nonattainment for PM_{10} in 1992.
- Forty-six nonattainment areas remain. Air quality in 29 of these areas is measuring attainment.
- There are 21 areas newly violating the PM_{10} NAAQS.
- There are three maintenance areas violating the PM_{10} NAAQS.

In 2007, there was also progress in attaining the 8-hour ozone and the annual $PM_{2.5}$ NAAQS, with a small number of cases of new nonattainment. Specifically:

Ozone

- In 6/04, EPA designated and classified 126 areas as nonattainment for 8-hour ozone based on air quality data collected primarily in 2001-2003.
- An increasing number of nonattainment areas are attaining the NAAQS. Air quality in 73 of the original 126 ozone areas is meeting the NAAQS based on data collect during 2003-2005.
- There are no areas newly violating the ozone NAAQS.

$PM_{2.5}$

- In 4/05, EPA designated 39 areas as nonattainment for the $PM_{2.5}$ based on air quality data collected during 2001-2003. These areas include a combination of 208 whole and part counties including the District of Columbia.
- Some $PM_{2.5}$ design values in designated nonattainment areas are improving slightly, especially in the western U.S.

- One designated nonattainment area (DC) is measuring attainment based on monitoring data collected during 2003-2005.
- There are five areas newly violating the $PM_{2.5}$ NAAQS.

At the start of FY 2007, EPA reduced the 24-hour $PM_{2.5}$ NAAQS from 65 to 35 micrograms per cubic meter. During 2007, EPA and states began developing designations under the revised standard and initial assessments of attainment prospects in light of federal and state/local actions already adopted or under consideration for attainment of the annual $PM_{2.5}$ NAAQS.

NAAQS – Priorities for FY 2008

States should:

- Develop and submit redesignation requests including maintenance plans for non-attainment areas meeting the NAAQS, as appropriate.
- Review annual air quality reports for criteria air pollutants and take appropriate actions dealing with areas newly discovered violating the NAAQS.
- Recommend designation status by December 2007 for areas not attaining the 2006 24-hour $PM_{2.5}$ standard.
- Work with local areas to support innovative, voluntary, early action initiatives such as the 8-hour Ozone Flex.
- Submit 1997 $PM_{2.5}$ SIPs by 4/5/08 that includes: attainment demonstration, emission inventory, RACT & RACM, RFP plan, and contingency measures.
- States with EAC areas which had designation deferrals and were determined not to meet attainment by 12/31/07 under the EAC program will need to begin working on nonattainment area SIPs.

Regional Haze – Priorities for FY 2008

States should:

- Submit Regional Haze SIPs by December 17, 2007.
- Submit summary of projected BART reductions.

NAAQS Ambient Monitoring – Priorities for FY 2008

Regions work with states to ensure that the state's monitoring networks for NAAQS, $PM_{2.5}$ speciation and PAMS meet applicable regulatory and guidance requirements. This includes the following specific actions:

- Operate monitors for NAAQS pollutants, $PM_{2.5}$ speciation, and PAMS according to 40 CFR 58, approved monitoring plans, and/or grant agreements including Quality Management Plans (QMPs) and Quality Assurance Project Plans (QAPPs).
- Certify NAAQS pollutant data in AQS and provide supporting documentation by July 1 of the next year.
- Submit annual network report required by 40 CFR 58.20, by July 1 unless another schedule has been approved.

- Ensure adequate, independent QA audits of NAAQS monitors. Conduct monthly QA checks for flow rates of $PM_{2.5}$ speciation monitors and submit data quarterly to AQS. Target is for 75% completeness.
- Assist in the changeover to IMPROVE-style carbon samplers at remaining $PM_{2.5}$ speciation trends and supplemental sites.
- Consider whether and how to make network changes in light of the revised primary $PM_{2.5}$ NAAQS.
- Complete CO, SO2, NO2, Pb and PM_{10} siting and operational changes related to the revised monitoring rule.
- Begin or continue first 5-year-cycle network assessment which is required by the amended monitoring rule to be completed by July 1, 2010.
- Make progress on establishing and operating NCORE multi-pollutant precursor gas sites. The revised monitoring rule requires these to be operational by January 1, 2011.
- Report data from operational NCORE multi-pollutant precursor gas monitoring sites to AQS.

Toxics Ambient Monitoring – Priorities for FY 2008

Regions work with states to ensure NATTS sites are operated according to EPA's technical guidance and the terms of the QAPP and QMP. This includes the following specific actions:

- Operate NATTS sites according to national grant and technical guidance and in keeping with the terms of approved workplan and QAPP.
- Participate in inter-laboratory Proficiency Testing and Technical System Audit programs according to national guidance and based on the terms of approved QAPP.
- Submit NATTS data to AQS quarterly, within 120 days of end of each quarter. The data objective for completeness rate is 85% of the potential concentration values for each quarter.
- Conduct Local-Scale Air Toxics Ambient Monitoring grants and cooperative agreements according to approved workplan and QAPP, grant terms and conditions, and applicable technical guidance.
- Submit data from EPA-funded community monitoring projects to AQS quarterly, within 120 days of end of each quarter. The data objective for completeness rate is 85% of the potential concentration values for the study period.
- Perform and publish/post local-scale monitoring data analyses as proposed in awarded project plans.
- Local-Scale Air Toxic Ambient Monitoring EPA grant and cooperative agreement recipients shall present their final project findings at the National Air Toxics Data Analysis Workshop.

Title V and NSR – Priorities for FY 2008

- States ensure sources submit Title V applications for renewal.
- States provide timeliness data on new Title V permits and significant permit modifications to EPA Regional Offices for entry into TOPS.
- States provide timeliness data on NSR permits issued for new major sources and major modifications by entering data including “the application accepted date” and “the permit issuance date” in to the RACT/BACT/LAER Clearinghouse (RBLC) national database.

- States continue to issue initial permits, significant modifications, and renewal Title V permits and reduce backlog of renewal permits.
- States cooperate with EPA in Title V permit program evaluations, set target to respond within 90 days to EPA's evaluation report and implement recommendations as warranted.
- States issue new Title V permits and significant permit modifications within 18 months of application completeness determined by permitting authority.
- States issue NSR permits consistent with CAA requirements and enter BACT/LAER determinations in the RBLC.
- States continue to submit draft, proposed, and/or final SIPs/TIPs, equivalency demonstrations, and/or delegation requests in response to revisions to NSR rules.

Air Toxics – Priorities for FY 2008

- States review and test new NEI process and EIS components. Provide feedback to Regions and Headquarters.
- States implement delegated or approved §112, 111(d) and 129 standards, as appropriate,
- States review draft 2005 NEI for Hazardous air pollutants (HAPs) and criteria air pollutants (CAPs).

TRIBAL AIR QUALITY MANAGEMENT

The national Tribal Air Quality Management Program includes funding for Indian tribes and Tribal Air Pollution Control Agencies, as well as providing training and support for tribes with typically small staffs and limited resources. Through CAA §103 grants, tribal air pollution control agencies, among others, may conduct and promote research, investigations, experiments, demonstrations, surveys, studies and training related to air pollution. Tribes typically use this funding source to research and investigate the air quality within, and emissions sources affecting, lands within their jurisdiction. Through CAA §105 grants, tribes may develop and implement programs for the prevention and control of air pollution or for the implementation of national primary and secondary ambient air quality standards. Tribes have the authority to set standards and develop additional programs to meet their unique needs. This authority is grounded in the CAA and the Tribal Authority Rule, as well as their inherent sovereign authority. For detailed grant guidance see Appendix A.

Strategy

EPA remains committed to working with the tribes, our regulatory partners, to assist them in understanding their air quality, completing air quality assessments setting appropriate air quality goals, and developing air quality management programs where appropriate to meet those goals. The completion of air quality assessments in Indian country is achieved through a combination of training and technical support of tribal staff in areas such as conducting assessments, source characterizations, emission inventories, monitoring programs, modeling, and other analyses, as appropriate. At the same time, work continues to improve and facilitate tribal participation in the policy and programmatic aspects of the national air quality management program. As tribes gain experience, they are then able to address their air quality concerns, and enhance their overall program development and participation. EPA is committed to supporting the National Tribal Air

Association (NTAA) as a leadership and coordination organization, working to promote relationships between and amongst tribes and EPA. NTAA serves an important role in facilitating tribal involvement in EPA policy and regulatory development.

EPA is also committed to building tribal capacity, where appropriate, to implement—either directly through tribal regulations and Tribal Implementation Plans (TIPs) or as partners in implementation of applicable Federal Implementation Plans (FIPs)—CAA protections for human health and the environment in Indian country. A primary mechanism for this priority is to fund the Institute for Tribal Environmental Professionals (ITEP) in its role as a leader in tribal air quality training and technical support. The ITEP program provides an internationally-recognized curriculum, developed especially for the unique needs of Indian country. This program has been instrumental in assisting tribes in developing the necessary skills to start and implement air quality management programs for their reservations.

Tribal STAG funds are allocated to tribes through each Regional Office (except Region 3 which has no federally-recognized tribes) based on a formula that includes a number of factors such as tribal population, number of tribes, non-attainment areas, and number of Title V sources. Regional Offices then allocate funds to tribes within each Region based on additional factors related to risk, environmental goals, and tribal capacity. EPA STAG funding in recent years has been unable to provide grants to every tribe requesting support, so this methodology allows funding decisions to be made in a nationally-consistent manner while seeking to maximize the local environmental benefit.

OAR supports many tribal efforts to understand and address air quality, and many tribes include monitoring programs in their activities. OAR provides funding to approximately 50 tribes to monitor a variety of pollutants of concern to them, and many tribes have provided an exemplary level of reliability and data capture in operating monitors of every type. To continue the effectiveness and relevancy of the tribal monitoring program, OAR expects the EPA Regional Offices and tribes to jointly determine where and why monitoring is necessary, while OAR provides technical assistance through the Tribal Air Monitoring Support (TAMS) Center.

EPA's strategy is to provide flexibility for tribes and Regional Offices to address the many different air quality situations on tribal lands on a case-by-case basis, rather than setting goals for tribes at the national level. Ambient air monitoring often but not always will be an appropriate one-time or continuing element of a tribal air quality assessment and management program. Section II of Appendix A of this document provides revised interim guidance to help tribal and Regional Office staff achieve clarity on the objectives of monitoring efforts.

Many (but not all) tribes regularly upload their monitoring data to AQS, where the data can be used by EPA to verify accomplishment of grant work plans and by interested parties to understand the air quality situation of the particular tribe. While recognizing the sensitivity of tribes to the use of their data, OAR expects tribal grants awarded in FY 2008 to include a commitment for quality-assured monitoring data to be submitted (directly by the tribe or other agreed arrangement) on a timely basis to AQS or other national database (e.g., AQS is not able to directly receive the data from the CASTNET or IMPROVE networks at this time). Recent enhancements to AQS should eliminate tribal concerns regarding use of state codes to enter tribal data. OAQPS is available to join the Regional Offices in pre-award consultations with any tribes where issues of data ownership and submission of data are of concern. EPA also

encourages tribal participation in AirNow, but this should not be a condition required in the grants.

In FY 2008, attention should continue to be paid to the quality aspects of tribal air monitoring programs. Every new or renewed grant supporting ambient monitoring on tribal lands should require preparation and Regional Office approval of Quality Management Plans (QMPs) and Quality Assurance Project Plans (QAPPs) that clearly identify the purposes to be served by the monitoring. OAR has worked with the Regions and monitoring organizations to develop a graded approach for the development of these documents. The QAPP should provide that tribal monitoring include regular precision and accuracy checks, using Appendix A of 40 CFR Part 58 as general guidance, unless other quality assurance procedures are justified as more appropriate to the monitoring objectives. Data reporting to AQS should include reporting of precision and accuracy check results. The TAMS Center provides training on these QA aspects of monitoring programs and has developed Turbo-QAPP software approved for use by OAQPS. Tribal QAPP's developed using this software should be generally approvable.

Our strategy includes specific funding to support tribal interest in air toxics. Tribes have started to increase their participation in air toxics issues, but are limited by availability of funding and resources to assess the level of impact and risk. However, tribes continue to be concerned about toxics, and often have disproportional impacts due to subsistence activities and lifestyles. This is particularly true where local problems may be caused by local and regional sources such as industrial facilities and mobile sources. This also applies to toxic deposition and bioaccumulation of persistent bioaccumulative toxins, such as mercury, dioxin and PCBs. The 229 Alaska Native Villages, many of whom rely on traditional subsistence lifestyles, have expressed particular concern over local and international toxics, and Arctic peoples are known to suffer disproportionately high exposures to these toxic and persistent compounds.

Finally, to enhance the visibility of the OAR Tribal Program and to further integrate tribal issues and concerns into EPA's daily programmatic activities, Regions should, where appropriate, provide the tribes with the funding assistance necessary for reasonable participation in national level conferences, meetings, and planning activities. For example, there are several national conferences on topics such as monitoring, emission inventories, and data analysis. There are also a number of strategic planning efforts underway under the auspices of the Clean Air Act Advisory Committee that could benefit from consistent and meaningful tribal participation. Such provisions should be added, as appropriate, to the tribal grant workplans.

Status

The OAR Tribal Program has accomplished significant gains in the short number of years since its inception in 1996. Currently, 120 tribes receive grant support, and are operating approximately 150 air quality monitors in Indian country. Tribes have continued to progress from assessments to program development, and as of March 2007, 26 tribes have received delegations of CAA authority under the Tribal Authority Rule. Nineteen tribes have conducted emissions inventories that have been submitted to NEI, and we continue to provide training and technical support for this activity. This assessment works continues as new tribes become engaged in the air quality program and gain the staffing and expertise to begin this work.

Other tribes have begun to move beyond the assessment phase into program development. These more experienced tribes are beginning to complete and submit for approval Tribal Implementation Plans—three have been submitted to date and several more are in development. Tribes have also uniquely expressed interest in PSD redesignations to reclassify their airsheds for optimum protection against deterioration, and to-date, four tribes, with one pending, have redesignated their airsheds to Class 1 under PSD. Over 100 tribes participate in the Regional Planning Organizations (RPOs), and the Western Regional Air Partnership is co-chaired by Lloyd Irvine, Councilman for the Confederated and Salish Kootenai Tribes. We expect this trend to continue, and the National and Regional Tribal Operations Committees are reflecting this increasing interest in air programs in Indian country. EPA continues to strive to support the ongoing needs in this growing program.

In addition to assessments and program development, training and capacity building efforts are ongoing. In FY 2007, the NTAA engaged more meaningfully in various program and policy development initiatives, and assisted tribes considering and developing their individual air programs.

FY 2007 Accomplishments

Headquarters

- Provided grant and technical staff support for training on national CAA technical and policy issues.
- Provided support for training to tribes on air toxics voluntary programs. (OAQPS)
- Provided support for tribal efforts to understand, assess and respond to indoor air concerns on tribal lands. (ORIA)
- Proposed a rule for new source review in Indian Country.
- Conducted outreach on important activities, e.g. PM NAAQS, tribal NSR rule.
- Proposed redesignation of one tribal air shed to Class I.

Regions

- Provided grant resources and support for national program initiatives such as participation in RPOs, public hearings for proposed rules, CAA policy development, and national tribal organization conferences/forums/meetings
- Provided resources and technical assistance to tribes for voluntary, educational, outreach, and/or regulatory development and implementation, e.g. TIPs, TAS, ordinances, Direct Implementation Tribal Cooperative Agreements (DITCAs), etc.
- Provided technical support to tribal air quality assessment and monitoring, and submission of monitoring data into the AQS database.

Tribes

- Participated in national level meetings, conferences and teleconferences on CAA policy development and seek training and support to build capability for effective participation.
- Implemented tribal, CAA, and voluntary programs in Indian country.
- 37 tribes receiving grant funds for monitoring submitted data to AQS, seven operated IMPROVE monitoring sites and their data entered the national IMPROVE data system, and a number of others participated in the CASTNET and/or NADP programs.
- Three tribes submitted TIPs to EPA.

- 23 tribes have approved eligibility determinations to be treated in a manner similar to States (TAS) for severable elements of the CAA including delegation of Part 71 to the Navajo Nation

FY 2008 Priorities

Headquarters

- Provide support to tribes and regions for completion of emissions inventories and their submission to the NEI database.
- Provide training and technical support to tribes for all aspects of air program development and implementation.
- Work with Regions to provide air quality outreach and training events to tribal staff, as appropriate.
- Provide grant and staff support to national tribal organizations to support effective tribal participation in policy development.
- Provide grant and staff support for training on national CAA policy issues.
- Provide meaningful notice and access to tribes for participation in rule or program development.
- Support training for tribes on interacting with and developing SIPs and TIPs
- Support Regional FIP efforts.
- Promulgate the tribal NSR rule.
- Support effective tribal participation in RPO-related policies and activities.
- Provide support for toxics training and outreach events to tribes and other opportunities for tribes to participate in air toxics reduction efforts.
- Provide support for training to tribes on voluntary programs such as air toxics and indoor air.
- Provide support for tribal efforts to understand, assess and respond to indoor air concerns on reservations.
- Work with Regions to assist interested tribes to implement voluntary emission control retrofit programs for existing heavy-duty diesel engines/school buses.

Regions

- Encourage tribes to participate in national level meetings, conferences and teleconferences on CAA policy development and to seek training and support to build capability for effective participation.
- Work with tribes to implement tribal, CAA, and voluntary emission control programs.
- Provide grant and technical support to interested tribes for the purpose of conducting air quality activities in Indian country.
- Provide support to tribal air quality assessment and monitoring activities, and submission of monitoring data into AQS.
- Work with HQ to provide air quality outreach and training events to tribes, as appropriate.
- Provide grant resources and support to participate in local, regional and national air quality management.
- Regions should use the DITCA authority available whenever appropriate to support tribal programs and activities.
- Provide support for tribes on SIP and TIP processes.

- If necessary, identify areas requiring FIP and implement FIP development and implementation process.
- Issue Part 71 and pre-construction (PSD) permits.
- Implement and enforce federal standards (NSPS NESHAP, etc.)
- Support RPO related-funding and technical activities.
- Support tribal capacity building with regard to understanding and addressing air toxics and other issues impacting reservations.
- Make outreach and training on air toxics and voluntary programs available to tribes.
- Provide support and technical assistance to reservation and tribal communities to understand and address indoor air quality concerns.
- Work with HQ and interested tribes to implement voluntary emission control retrofit programs for existing heavy-duty diesel engines impacting reservation and tribal communities.

Tribes

- Attend air quality outreach events; participate in ozone or PM policy development, and/or regulatory response, as appropriate.
- Report air quality monitoring or assessment data to AQS or other appropriate data base, e.g., IMPROVE, CASTNET, or NADP, with appropriate assistance.
- Participate in national, regional and local level meetings, conferences, and teleconferences on CAA policy development and seek training and support to build capability for effective participation.
- Participate in CAA rules and policy development.
- Assist in FIP development and implementation process, as appropriate.
- Participate in RPO-related activities and policies to represent tribe's perspective.
- Review and test new NEI process and EIS components. Provide feedback to Regions.
- Attend air toxics-related training or workshops.
- Provide outreach to tribal communities on both indoor and outdoor air issues.
- Participate in training programs and workshops as appropriate.
- Participate in indoor air quality assessment and outreach to reservation and tribal communities.
- Implement voluntary emission control retrofit programs for existing heavy-duty diesel engines.

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Indoor Air

Objective 1.2 - Healthier Indoor Air. Through 2012, working with partners, reduce human health risks by reducing exposure to indoor air contaminants through the promotion of voluntary actions by the public.

Sub-objective 1.2.1: Radon. By 2012, the number of future premature lung cancer deaths prevented annually through lowered radon exposure will increase to 1,250 from the 1997 baseline of 285 future premature lung cancer deaths prevented.

Sub-objective 1.2.2: Asthma. By 2012, the number of people taking all essential actions to reduce exposure to indoor environmental asthma triggers will increase to 6.5 million from the 2003 baseline of 3 million. EPA will place special emphasis on children and other disproportionately impacted populations.

Sub-objective 1.2.3: Schools. By 2012, the number of schools implementing an effective indoor air quality management plan will increase to 40,000 from the 2002 baseline of 25,000.

EPA addresses indoor air quality issues by developing and implementing voluntary outreach and partnership programs that inform and educate the public about indoor air quality and actions that can reduce potential risks in homes, schools, and workplaces. EPA also supports states and communities in developing and implementing comprehensive multi-stakeholder air toxics reduction efforts.

Through these voluntary programs, EPA disseminates information and works with national, international, state, tribal, and local governments; industry and professional groups; and the public to promote actions to reduce exposures to potentially harmful levels of indoor air pollutants including radon, asthma triggers including environmental tobacco smoke (ETS), and mold contamination in homes. EPA also transfers technology by providing detailed guidance on indoor air-related building design, operation, and maintenance practices to building owners, building managers, and school facility managers and easy-to-use tools to educators and school facility managers. A key focus area is on the environmental management of asthma triggers through outreach to schools, child care centers, health care providers, and the general public.

EPA also provides tribes with appropriate tools and assistance to address indoor air toxics, such as radon; ETS; particulate matter; and biological issues, such as mold contamination. EPA works with other federal agencies to provide guidance and assistance on how to reduce the exposure levels of these contaminants in all tribal communities.

Through the State Indoor Radon Grant (SIRG) Program, EPA helps states that have not yet established the basic elements of an effective radon assessment and mitigation program, and will support innovation and expansion in states that already have programs.

Our strategies for improving indoor air quality and increasing the number of people breathing healthier indoor air are implemented through two priority areas: 1) indoor environmental pollutants and triggers which cause or exacerbate respiratory-related illnesses, and 2) radon.

REDUCE RISKS FROM INDOOR ENVIRONMENTAL POLLUTANTS AND ASTHMA TRIGGERS

This program area takes both a pollutant-focused and a place-based approach to reduce the risk at the locations where people are exposed to indoor contaminants. EPA and its partners design and implement voluntary programs and activities that address environmental triggers of asthma (i.e. ETS, dust mites, pests, molds, nitrogen dioxide, and pet dander), indoor air quality in schools, and office building air quality management approaches through outreach, training, partnerships, educational activities, and guidance.

Our strategy includes implementing a national, multi-faceted asthma education and outreach program to improve and expand the delivery of comprehensive asthma care programs, a unique ETS program focused on protecting young children from ETS exposure by collaborating with federal, state and local organizations on promoting smoke-free homes and cars; and a national education and outreach program to inform the public, schools, school districts, educators, and building professionals about the importance of creating and maintaining healthy indoor environments in schools and workplaces. Our program relies on several key implementation/educational tools:

- National public awareness and media campaigns.
- Community-based outreach and education. (e.g., educating caregivers of children on environmental triggers of asthma and exposure to ETS).
- Sound, user-friendly guidance tailored to the program's varied constituencies.
- Enhancement and application of programmatic support data.
- Technology transfer.

Work Planned to be Completed in FY 2007

- Continue asthma outreach to health care/managed care organizations to train health care professionals on environmental asthma triggers and effective risk management strategies;
- Increase community level action by hosting the *Communities in Action for Asthma Friendly Environments* National Forum to support a national network of effective asthma programs designed to achieve environmental trigger risk reduction;
- Educate low-income families and children through EPA's Childhood Asthma Public Service Campaign and dissemination of materials and guidance designed for audiences with limited reading skills;
- Collaborate on ETS awareness and education activities with other federal agency programs including HeadStart and Women, Infants, and Children;
- Promote the national Smoke-free Home Pledge Campaign;
- Continue technical assistance to state and local organization on ETS outreach and education efforts;
- Sponsor the 8th annual Tools for Schools Symposium and National Tools for Schools Awards Program;
- Continue the ASchools@ mentoring program;
- Promote the new IAQ Design Tools for Schools Guidance;
- Continue work with national school organizations to expand implementation of Tools for Schools;

- Promote action through awareness and educational activities that encourage environmental management of asthma triggers including ETS; and,
- Improve understanding of effective interventions and improve tools for measuring results.

FY 2008 Priorities for the Regions

- Continue to serve as the local, community-based point of contact to disseminate information and foster implementation of the indoor air programs.
- Work with national partner state/field affiliates, state and local partners, and coalitions to reduce risks from indoor pollutants and asthma triggers.
- Oversee grants to reduce risks from indoor pollutants and asthma triggers, particularly in homes, schools and day care centers.
- Work with state and local partners and tribes to ensure that reducing exposure to indoor pollutants and asthma triggers is included in policies of state and local Asthma Plans.

RADON

The voluntary radon program focuses on risk reduction and increasing public awareness and action at the national, regional, state/tribal and local level. The program's primary focus will continue to be on radon risk reduction in homes. Activities funded by the State Indoor Radon Grant (SIRG) program are the primary vehicle implementing the radon risk reduction program at the state/tribal and local level. IED's Public Service/Outreach Campaign, cooperative agreement partnerships, and contracts are the primary activities implementing the radon risk reduction program at the national level. EPA's three primary risk reduction goals are to have:

- Risk reducing features included in new homes built in high radon potential areas,
- Mitigation systems installed in existing homes at or above the action level (4pCi/L),
- Existing schools mitigated, and new schools built with risk reducing features.

The principal mechanisms for accomplishing these goals include:

- State/local governments adopt/enforce radon-resistant building codes,
- Builders voluntarily include radon-resistant features in new homes,
- Sellers/buyers mitigate homes within real estate transactions/transfers,
- Homeowners mitigate their homes voluntarily (non-real estate), and
- Schools address radon through the Tools for Schools programs.

Furthermore, EPA seeks to achieve its goals by working with states/tribes and localities to select activities/projects that effectively reduce risk with measurable results and to improve SIRG program accountability. EPA will also work with our non-governmental organizations/partners to institutionalize radon risk reduction policies and practices in the marketplace.

Work Planned to be Completed in FY 2007

In FY 2007, EPA will significantly increase national action on radon risk reduction. EPA will support initiatives and activities targeted to: 1) double new construction and mitigation rates by 2012; 2) increase the number of states and localities with active and comprehensive radon programs; 3) accelerate action in the housing market to further institutionalize radon risk reduction in residential transactions; and, 4) expand scientific knowledge and technologies at the domestic and international level to support and drive more aggressive action on radon.

FY 2008 Priorities for the Regions

- Negotiate state/tribal work plans having a high probability of effectiveness for risk reduction, especially in the area of new construction, code adoption and real estate.
- Implement the SIRG measures template, checklist and guidance (6/06) by including the template in work plans and in approving projects that reflect EPA's radon priorities and results measures.
- Administer/monitor programmatic and SIRG grant recipient performance for results and encourage the timely expenditure of grant funds (older funds first). See Appendix A - SIRG Program Guidance and Handbook.

++ End of Section ++

Stratospheric Ozone

Objective 1.3 - Protect the Ozone Layer. By 2011, total effective equivalent stratospheric chlorine will have reached its peak and begun its gradual decline to a value less than 3.4 parts per billion of air by volume.

Strategic Targets:

- By 2015, reduce U.S. consumption of Class II ozone-depleting substances to less than 1,520 tons per year of ozone depleting potential from the 2003 baseline of 9,900 tons per year.

- By 2165, return the incidence of melanoma skin cancer to 14 new skin cancer cases avoided per 100,000 people, which was the 1990 baseline (13.8 cases avoided per 100,000 people). (Note: Text reflects information more current than that published in 2006 Strategic Plan.)

As a signatory to the Montreal Protocol on Substances That Deplete the Ozone Layer (Montreal Protocol), the U.S. is obligated to regulate and enforce its terms domestically. In accordance with this international treaty and related Clean Air Act (CAA) requirements, EPA will continue to implement the domestic rulemaking agenda for the reduction and control of ozone-depleting substances (ODS), such as chlorofluorocarbons (CFCs), and enforce rules controlling their production, import, and emission. This implementation includes combining market-based regulatory approaches with sector-specific technology guidelines and facilitating the development and commercialization of alternatives to methyl bromide and hydrochloro-fluorocarbons (HCFCs). We will strengthen outreach efforts to ensure efficient and effective compliance, and continue to identify and promote safer alternatives to curtail ozone depletion. To help reduce international emissions, we will assist with the transfer of technology to developing countries and work with them to accelerate the phase-out of ozone-depleting compounds.

Because the ozone layer is not expected to recover until the middle of this century at the earliest, the public will continue to be exposed to higher levels of ultra-violet (UV) radiation than existed prior to the use and emission of ODS. Recognizing this fact and the public's current sun-exposure practices, EPA will continue education and outreach efforts to encourage behavioral changes as the primary means of reducing UV-related health risks.

DOMESTIC PROGRAMS

This program includes activities for regulatory programs to restore the ozone layer and voluntary programs to reduce public health risk. For the period 2008, EPA's domestic strategy for stratospheric ozone protection will focus on:

- Undertaking measures to ensure successful transition of industries to non-ozone depleting alternatives to HCFCs, which are subject to a production phaseout under the CAA.

- Limiting production of class I substances such as CFC-11, CFC-12, and methyl bromide to uses identified as critical or essential under the Montreal Protocol.

Status: As of January 2007, the U.S. has succeeded in phasing out new production and importation of most class I substances, with the exception of certain applications for which the search for acceptable, non-ozone depleting alternatives continues. For class II substances (HCFCs), EPA has phased out production of HCFC-141b.

FY 2008 Milestones and Priorities

- EPA administers the critical use exemption for production of methyl bromide as allowed under the Montreal Protocol.
- EPA allocates production allowances for all remaining classes of HCFCs.
- EPA proposes a rule to determine the applications of HCFC-142b and HCFC-22 that may be exempted from the ban on production of those chemicals that will take effect in 2010.
- Regions carry out enforcement actions related to programs under Title VI of the CAA, including servicing of motor vehicle air conditioners, recycling of ODS, and emissions of phased-out substances. For additional information see the National Program Guidance issued by the Office of Enforcement and Compliance Assurance.

MULTILATERAL FUND

This program includes the Multilateral Fund, which promotes international compliance with the Montreal Protocol by financing the incremental cost of converting existing industries in developing countries to cost-effective, ozone-friendly technology. Our strategy is to continue to support the Ozone Secretariat's Multilateral Fund, which provides resources to developing nations to facilitate their transition to non-ODS. In 2008 we will focus on:

- Maximizing developing country reductions in ODS by moving aggressively from a project-by-project approach to a national phase-out strategy approach.
- Accelerating the shift to CFC alternatives by accelerating the closure of CFC manufacturers in developing countries.
- Increasing support to developing country institutions to enable effective implementation of policy measures.

Status

To date, the Fund has supported over 4,480 activities in 134 countries that, when fully implemented, will prevent annual emissions of more than 174,000 metric tons of ODS. In addition, the Fund has reached long-term agreements to dismantle over 2/3 of developing country CFC production capacity and virtually all of developing country halon production capacity. Final closure of related facilities depends on continued funding. EPA's FY 2006 contribution to the Multilateral Fund helped the Fund support cost-effective projects designed to build capacity and eliminate ODS production and consumption in over 60 developing countries.

++ End of Section ++

Radiation Protection

Objective 1.4 - Radiation. Through 2011, working with partners, minimize unnecessary releases of radiation and be prepared to minimize impacts to human health and the environment should unwanted releases occur.

Strategic Targets:

- By 2011, 77% of the U.S. land area will be covered by the RadNet ambient radiation air monitoring system. (2001 baseline is 35% of the U.S. land area)

- By 2011, the radiation program will maintain a 90% level of readiness of radiation program personnel and assets to support federal radiological emergency response and recovery operations. (2005 baseline is a 50% level of readiness.)

EPA helps prevent public exposure to harmful levels of radiation in the environment by: working with other federal, state, tribal, and local agencies to assess exposure risks; managing radioactive releases and exposures; ensuring proper disposal of radioactive materials; and, providing the public with information about radiation and its hazards. EPA also maintains a high level of preparedness to respond to radiological emergencies. These responsibilities form the core of our strategy to protect the public and the environment from unnecessary exposure to radiation. Our strategies for radiation include three program areas:

- Radiation Protection
- Radiation Emergency Response Preparedness
- Homeland Security and Emergency Preparedness, Response, and Recovery

EPA continues to improve radioactive waste management through guidance and technical tools and to provide Regional Offices with radiation analytical and technical support. EPA is also continuing its commitment to Emergency Response/Homeland Security.

EPA is: continuing to integrate radiation data into the Agency's information systems and making radiation information more accessible to the public; enhancing the national environmental radiation monitoring system (RadNet) to better respond to radiation emergencies and be better prepared for potential terrorist threats; and continuing programs to provide guidance and tools to other federal agencies, as well as state, local, and tribal governments and our stakeholders and partners. We are also continuing efforts to create and enhance voluntary programs to better protect track radioactive materials, find alternatives to radiation sources in industry, and improve disposal options for radioactive sources in commerce.

RADIATION PROTECTION

This program includes activities for radiation clean up, federal guidance, risk modeling, Clean Materials, Waste Isolation Pilot Plant (WIPP), Yucca Mountain work, radiation air toxics,

naturally-occurring radioactive material, radiation waste management, and radioactive and mixed-waste operations and measurements.

Using a collaborative strategy, EPA works with the public, industry, states, tribes, and other governmental agencies to inform and educate people about radiation risks and promote actions that reduce human exposure. EPA also provides radiation guidance and develops regulations as appropriate. Key programmatic activities include:

- preventing future losses of radioactive materials, including sealed sources, domestically and internationally
- promoting the safety of the U.S. and international metal supply
- ensuring continued compliance with EPA regulations and EPA oversight for DOE waste disposal activities at the WIPP
- promoting the reduction and management of radiation risks in a consistent and safe manner at Superfund, DOE, DOD, state, local, and other federal sites.
- assessing exposure risks and providing information about radiation and its hazards
- maintaining appropriate methods to manage radioactive releases and exposures including evaluating remediation technologies for radioactively contaminated sites
- evaluating the human health and environmental risks from radiation exposure
- providing national-level guidance on the risks posed by radioactive materials in the environment.

FY 2008 Priorities

- Additional drums of radioactive waste certified by EPA as properly disposed will be deposited at the WIPP in 2008.
- Regions continue to serve as the local, community-based point of contact to disseminate information on EPA's radiation protection program, including support of the radiological NESHAPS program.
- Regions will provide, as requested, technical support to state radiation, solid waste, environmental and health programs that regulate radiological remediation
- Regions work with states on issues involving technologically-enhanced naturally-occurring material (TENORM) that include issues associated with mining legacy waste disposal and water treatment residuals.
- Regions work with states on mining legacy waste disposal issues.

RADIATION EMERGENCY RESPONSE PREPAREDNESS

This program includes federal preparedness activities including ORIA programmatic readiness, Radiological Emergency Response Team (RERT) personnel and equipment readiness, development and participation in exercises, training and outreach, radiological emergency response guidance, and the national environmental radiation monitoring system (known as RadNet).

Using a collaborative strategy where appropriate, EPA works with tribes and other federal, state, and local agencies to ensure that the appropriate parties are fully informed and prepared to

respond should an incident involving radiation occur. EPA's key activities that support our radiation response preparedness include:

- preparing for and responding to incidents involving radioactive materials through training, infrastructure development, regular exercises, and field experience.
- issuing Protective Action Guides.
- coordinating with other organizations to ensure thorough response and preparedness planning.
- providing radioanalytical laboratory capabilities.

FY 2008 Priorities

- RERT will continue to work toward establishing team readiness.
- Regions continue to serve as the local, community-based point of contact to disseminate information on EPA's radiation response and preparedness program, activities, and capabilities. As appropriate, Regions should:
    - provide technical support to state radiation control programs
    - support EPA's radiation emergency response operations, including the assignment of personnel to serve as Regional radiation advisor and an RERT liaison
    - participate in radiological response exercises.
    - increase Regional capacity with Radiological Emergency Response Team (RERT) in conjunction with the Superfund program.

HOMELAND SECURITY AND EMERGENCY PREPAREDNESS, RESPONSE, AND RECOVERY

In addition to the Radiation Response Preparedness activities discussed above, this program includes efforts to develop plans, procedures, and readiness to respond to releases caused specifically by terrorist incidents. EPA will ensure readiness of radiological response personnel and equipment through planning, training, and exercises. EPA will coordinate homeland security activities with the Department of Homeland Security and other federal agencies to ensure consistency with the National Response Plan.

Strategy

EPA's strategy for Homeland Security Preparedness, Response, and Recovery builds upon the efforts discussed under Radiation Response Preparedness above. In addition to overall coordination activities, EPA is significantly upgrading its environmental monitoring network for radiation (RadNet) by expanding its ambient radiation monitoring network. RadNet provides EPA data on ambient levels of radiation in the environment, with data for nuclear emergency response assessments, and data for public officials and the general public.

FY 2008 Milestones and Priorities

- In FY 2008, EPA expects to purchase and deploy additional state-of-the-art monitoring units.

- Regions will provide leadership in coordinating the installation of the new RadNet monitors and will serve as the local, community-based point of contact to disseminate information on EPA's national monitoring system.

++ End of Section ++

Climate Change

Objective 1.5 - Reduce Greenhouse Gas Emissions. By 2012, 160 million metric tons of carbon equivalent (MMTCE) of emissions will be reduced through EPA's voluntary climate protection programs.

Sub-objective 1.5.1: Buildings Sector. By 2012, 46 MMTCE will be reduced in the buildings sector (compared to the 2002 level).

Sub-objective 1.5.2: Industrial Sector. By 2012, 99 MMTCE will be reduced in the industry sector (compared to the 2002 level).

Sub-objective 1.5.3: Transportation Sector. By 2012, 15 MMTCE will be reduced in the transportation sector (compared to the 2002 level).

In 2002, President Bush announced a U.S. climate policy to reduce the greenhouse gas (GHG) intensity of the U.S. economy by 18% over the next decade. EPA's strategy for helping to improve GHG intensity is to enhance its partnerships with businesses and other sectors through programs that deliver multiple benefits in addition to reducing GHG intensity—from cleaner air to lower energy bills. At the core of these efforts are voluntary government-industry partnership programs designed to capitalize on the opportunities that consumers, businesses, and organizations have for making sound investments in efficient equipment, policies and practices, and transportation choices.

CLIMATE PROTECTION PROGRAM

This program includes voluntary domestic and international programs that address GHG and climate change issues. Efforts are aimed at reducing emissions of GHGs and mitigating the effects of global climate change on the environment and human health while growing the economy. EPA's strategy includes:

- continue the successful Energy Star partnerships in the residential and commercial buildings sector by adding new products to the Energy Star family, raising awareness of the Energy Star label for products, buildings, and homes, and promoting superior energy management to public and private sector organizations of all sizes in all regions of the country.

- continue building on the success of voluntary programs in the industrial sector by enhancing the rate of energy and resource efficiency improvements through the Energy Star and WasteWise programs, promoting the Energy Star label for industrial plants, and expanding opportunities to provide energy benchmarking tools to industry; cost-effectively keeping emissions of methane at 1990 levels or below through 2010; cost-effectively limiting emissions of the more potent greenhouse gases (HFCs, PFCs, SF_6); and facilitating the use of clean energy technologies and purchases of renewable energy.

- reduce international GHGs through the Methane to Markets Partnership by promoting and deploying cost-effective methane recovery technologies among other countries and the U.S. private sector; advance the President's goal for cleaner and more efficient technologies and practices through the Asia-Pacific Partnership on Clean Development and Climate (www.asiapacificpartnership.org).

- continue the SmartWay Transport Partnership (a part of the Administration's Climate Change Technology Program) to increase energy efficiency and lower emissions of freight transportation by: substantially increasing the market penetration of diesel engine retrofits, anti-idling technologies, lower rolling resistant tires, improved aerodynamic truck designs, and improved freight logistics; and by partnering with international partners like Canada and Mexico, especially at border crossings.

- implement the renewable fuel content provisions in the Energy Policy Act of 2005 to maximize the potential of these fuels to reduce GHG intensity and improve air quality.

- continue to develop and demonstrate innovative fuel-efficient and clean vehicle and engine technologies. This includes ongoing work with automotive industry partners to transfer EPA's engineering expertise and advanced technologies to commercial application.

FY 2008 Priorities for Regions: Lead by example in the area of energy efficiency and clean energy and promote making the cleaner energy choice to stakeholders. This includes:

- making commitments to procure Energy Star qualifying products and encouraging other organizations to do the same.

- ensuring tribal governments and communities are included as partners in GHG activities, and ensure they participate in and benefit from ongoing coordinated efforts and outreach programs.

- ensuring that the power management feature of Energy Star qualifying computer monitors is enabled and encouraging other organizations to do the same.

- rating the energy performance of buildings, schools, hospitals, etc, using EPA=s national energy performance rating system, applying for the Energy Star label for the qualifying superior buildings, and determining improvement plans for those that do not currently qualify; and encouraging other organizations to do the same;

- joining the Energy Star Buildings Challenge and promoting the reduction of energy use in buildings by 10% or more.
- ensuring that new building designs are "Designed to Earn the Energy Star" where applicable.

- making or encouraging energy efficiency improvements and clean energy choices by promoting a range of innovative financial and policy mechanisms, including:

- purchasing green power integrating energy efficiency and clean energy into air quality plans (i.e., SIPs), and state supplemental environmental projects (SEPs).

- promoting the recovery and use of methane as a clean energy source through EPA's methane partnership programs (e.g., landfills, agriculatural waste, coal mines, and oil/gas operations).

- creating pilot programs to use commercially-available advanced technology in fleets (such as state/municipal vehicles, school buses, or refuse vehicles) to produce cost-effective emissions and fuel consumption reductions.

- expanding implementation of SmartWay innovative financing programs to provide increased access to lower cost loans to help small and medium sized trucking companies purchase fuel saving technologies and emission control devices.

- developing a network of SmartWay Truck dealers who can sell, install, and finance the SmartWay Upgrade Kit, which includes auxiliary power units, low-rolling resistant tires, advance aerodynamics, and emission control devices.

- continuing to recruit: SmartWay partners with an emphasis on truck stops that supports SmartWay's idle reduction goals, shippers that will hire SmartWay truckers, and small and medium sized truckers who have not had the capital to finance the SmartWay Upgrade Kit.

- helping consumers and businesses more easily identify light and heavy duty vehicles that deliver superior fuel economy and emissions by identifying vehicles that meet the SmartWay criteria.

- increase consumer and business awareness and access to E85 gasoline and bio-diesel fuels through the Administration's SmartWay Grow and Go Initiative.

++ End of Section ++