

# **State of Alaska FY2004 Governor's Operating Budget**

## **Department of Environmental Conservation Air Quality Component Budget Summary**

## Component: Air Quality

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## Component Mission

Identify, prevent, abate, and control air pollution to protect public health and the environment in a cost-effective, accountable manner.

## Component Services Provided

- Issue air quality permits to facilities that release potentially harmful pollutants, and assure compliance with permit conditions through inspections and operating report reviews.
- Work cooperatively with communities to reduce public health threats from carbon monoxide, breathable particulate pollution.
- Assess air quality to identify areas where air quality and visibility are at risk or below acceptable levels.
- Oversee radiological assessment activities at Amchitka Island.

## Component Goals and Strategies

### 1) MONITOR AMBIENT AIR FOR POLLUTANTS TO PROTECT PUBLIC HEALTH.

- Operate air pollution monitors at various locations statewide with a focus on carbon monoxide and particulate matter in Anchorage, Fairbanks, and Juneau; and regional haze in Denali Park, and Tuxedni and Simonof wildlife refuges (designated Class I areas).
- Determine if various locations in Alaska meet the new public health standard for fine particle air pollution.
- Provide, when possible, real-time ambient air quality data during air pollution events.
- Monitor air quality during natural and human-caused disasters to provide public health advisories.
- Investigate suspected air quality violations at facilities.
- Assess radiation contamination and evaluate risks posed by leakage of contaminants at the former nuclear test site on Amchitka Island.
- Train local government and tribal members to operate air quality monitoring instruments at selected rural and urban areas of Alaska.

### 2) REFORM THE AIR QUALITY PERMITS PROGRAM.

- Achieve timely delivery of permits that will support an expanding economic development climate.
- Change existing procedures to establish more predictable and reliable expectations for both the operator and department similar to a contractual agreement.
- Establish clear performance standards that allow operator flexibility on how to comply with permit requirements and focus department resources on field inspections to verify permit compliance.

The air permit reform initiative is based upon the recommendations of an Air Permits Workgroup which was comprised of statewide interest groups and regulated industries.

### 3) IMPROVE AIR QUALITY IN LOCALES THAT HAVE HISTORICAL AIR POLLUTION PROBLEMS.

- Develop state air quality plans (SIPs) that contain strategies that reduce emissions and lead to achieving air quality standards for carbon monoxide (Anchorage and Fairbanks) and particulate matter (Anchorage and Juneau).
- Ensure compliance with control strategies including the vehicle tailpipe inspection, and cold start emission reductions.
- Develop and assist local governments in developing public awareness programs that reduce emissions through individual vehicle owner actions that improve air quality.
- Undertake automotive testing and research for unique Alaska operating conditions to develop emission reduction

strategies that may be uniquely successful for Alaska motorists.

- Alone and in collaboration with other western states develop emissions databases, pollution transport models and other planning assessments to build the scientific foundation for a state air quality plan for visibility protection in Alaska's Class I air quality areas of Denali Park, Tuxedni and Simeonof wildlife refuges.

### **Key Component Issues for FY2003 – 2004**

Carbon monoxide pollution continues to present problems for Anchorage and Fairbanks. We will continue to work closely with EPA and with both communities to develop effective carbon monoxide control programs to protect public health and prevent the loss of highway funds.

The department is collaborating with the Department of Energy, the University of Alaska-Fairbanks and the Aleutian Island people to develop a field sampling and assessment project for the former nuclear test site at Amchitka Island. These federal funds will be used to scientifically determine the potential for current or future radiation leaks into the marine environment and the potential impact to subsistence and commercial seafoods.

Rural Alaska communities are facing a major decision about diesel fuel use. By 2007, they must decide to either incur the costs of building a separate and new fuel tank infrastructure for handling a new cleaner diesel fuel for trucks and buses or convert their entire community fuel use for electrical power, heating and vehicles to the cleaner diesel fuel. Either case will incur significant costs for the community, individuals and perhaps the state. Funding is being sought in the FY2004 capital budget to aide this decision, which can not be made without knowing the health risks and health costs of continuing to use the existing grade diesel fuel for power and heat.

The operating permit program is the state's primary means for ensuring that stationary sources of air pollution comply with the air pollution control regulations. EPA granted final approval for this program in November 2001; however, the state had to commit to addressing two deficiencies - timely issuance of Title V permits and review of the adequacy of permit fees. To encourage responsible development, Alaska needs a predictable process that issues timely permits. The process must be flexible enough to take advantage of fast changing business opportunities, yet allow responsible management of air resources to ensure that Alaska remains a competitive business location in an ever-changing world. To achieve these goals, DEC will make significant changes in their major source and minor source permitting regulations, develop new permitting tools, design and implement a quality management system, focus on field work, and implement a new fee structure.

DEC petitioned the U.S. Supreme Court to review the 9th Circuit Court of Appeals decision on Alaska v EPA concerning Alaska's air permit for the Cominco Red Dog mine. The Court has accepted the Alaska petition, DEC and the Department of Law will make a substantial effort in FY2003 and FY2004 to address Alaska's state right to make this permit decision without EPA intervention.

### **Major Component Accomplishments in 2002**

The department continued to seek and develop greater flexibility for emission testing on newer vehicles. EPA approved the program enhancements, which were incorporated into state regulations in FY2002.

The department launched an increased effort to identify potential evaders of the vehicle emission's testing program within the Municipality of Anchorage (MOA). Primary evaders are those who falsely register their vehicles outside the MOA and either live in or regularly commute into the MOA for work or school. These actions are taken to reduce pollution from the highest emitting vehicles and avoid further undesirable federal intervention to otherwise cut back emissions from all motorists.

Working with Anchorage and Fairbanks, the department completed an air quality plan that demonstrated Anchorage and Fairbanks had achieved the air quality health standards for carbon monoxide.

The department is collaborating with the Department of Energy, UAF and the Aleutian Island people to develop a field sampling and assessment project for the former nuclear test site at Amchitka Island. Federal funds are being sought to scientifically determine the potential for current or future radiation leaks into the marine environment and potential impact to subsistence and commercial seafoods.

Issued 24 permits for the construction of new industrial facilities and modification to existing facilities. Issued 8

operating permits to industrial facilities and processed another 30 through the public notice stage. Helped operators avoid the need and cost of a facility-specific operating permit.

Investigated 192 citizen air pollution complaints. Made 16 on-site and 14 off-site full compliance evaluations of permitted facilities to help operators comply with air permits and resolved 51 compliance problems without the need for formal enforcement action.

Awarded a contract to implement some of the primary recommendations of the permit benchmarking study.

Adopted standard permit regulations to streamline the development of operating permits. This action speeds permit issuance time and reduces permit cost for those facilities which choose to use the standard conditions. The regulations also allow for a facility to develop custom permit conditions in those cases where the standard conditions are inappropriate.

Worked collaboratively with Teck Cominco Alaska, NANA Development Corporation, Alaska Industrial and Development Authority, National Park Service and local and tribal governments to assess impacts from fugitive dust associated with Red Dog ore transport on the DeLong Mountain Transportation System. Assisted Teck Cominco Alaska in implementing transportation and ore handling process changes to minimize fugitive dust.

### **Statutory and Regulatory Authority**

AS 46.03; AS 46.14; AS 44.43; AS 46.45; 18 AAC 50; 18 AAC 52; 18 AAC 53; Federal Clean Air Act

**Air Quality**  
**Component Financial Summary**

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	3,834.3	3,746.0	4,243.4
72000 Travel	213.5	227.3	251.0
73000 Contractual	975.0	1,638.9	1,658.3
74000 Supplies	75.9	125.8	126.8
75000 Equipment	103.2	188.0	203.1
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>5,201.9</b>	<b>5,926.0</b>	<b>6,482.6</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	1,297.2	1,639.1	1,494.2
1003 General Fund Match	880.5	904.4	801.7
1004 General Fund Receipts	0.0	302.7	302.7
1005 General Fund/Program Receipts	233.3	204.2	125.1
1007 Inter-Agency Receipts	517.3	0.0	0.0
1061 Capital Improvement Project Receipts	111.1	116.3	117.5
1093 Clean Air Protection Fund	2,162.5	2,759.3	3,641.4
<b>Funding Totals</b>	<b>5,201.9</b>	<b>5,926.0</b>	<b>6,482.6</b>

## Air Quality

### Proposed Changes in Levels of Service for FY2004

Additional funding is being sought to reinvent the air permitting program. Air permits are important to maintaining Alaska's excellent air quality for future generations. To encourage responsible development, Alaska needs a predictable process that issues timely permits. The process must be flexible enough to take advantage of fast changing business opportunities, yet allow responsible management of air resources to ensure that Alaska remains a competitive business location in an ever-changing world. To achieve these goals, DEC will make significant changes in their major source and minor source permitting regulations, develop new permitting tools, design and implement a quality management system, focus on field work, and implement a new fee structure.

A reduction is being sought in the Oxyfuel Program. With advanced pollution control, technology on newer automobiles, the Oxyfuel Program (requiring industry production of ethanol based fuel) may no longer be necessary in the Anchorage area. Discontinuing this program provides program cost savings as well as the return of an estimated 2.5 million dollars to the state treasury if the annual industry tax credit is no longer required for production of the fuel.

Other requested changes represent reductions or a realignment of resources to promote efficiencies or capture savings, and have no impact on the level of services provided.

### Summary of Component Budget Changes

#### From FY2003 Authorized to FY2004 Governor

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2003 Authorized</b>	1,411.3	1,639.1	2,875.6	5,926.0
<b>Adjustments which will continue current level of service:</b>				
-Annualize FY2003 COLA Increase for General Government, Confidential and Supervisory Bargaining Units	0.0	9.2	30.4	39.6
<b>Proposed budget decreases:</b>				
-Discontinue Oxyfuel Program	-79.1	0.0	0.0	-79.1
-Redirection of Efforts in Federal Portion of the Air Program	-92.8	-139.3	0.0	-232.1
-Management Reduction	-9.9	-14.8	-24.8	-49.5
<b>Proposed budget increases:</b>				
-Reinvention of the Air Permitting Program	0.0	0.0	877.7	877.7
<b>FY2004 Governor</b>	<b>1,229.5</b>	<b>1,494.2</b>	<b>3,758.9</b>	<b>6,482.6</b>

## Air Quality

## Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	56	63	Annual Salaries	3,504,559
Part-time	0	0	Premium Pay	5,211
Nonpermanent	0	0	Annual Benefits	1,095,528
			<i>Less 7.86% Vacancy Factor</i>	(361,898)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>56</b>	<b>63</b>	<b>Total Personal Services</b>	<b>4,243,400</b>

## Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	1	0	2	0	3
Administrative Clerk III	0	0	1	0	1
Administrative Manager I	1	0	0	0	1
Administrative Manager III	1	0	0	0	1
Analyst/Programmer III	1	0	1	0	2
Analyst/Programmer IV	1	0	0	0	1
Chemist IV	0	0	1	0	1
Env Eng Associate	5	4	5	0	14
Env Eng Associate II	2	1	1	0	4
Environ Conserv Mgr II	2	0	1	0	3
Environ Conserv Mgr III	0	0	1	0	1
Environ Eng Asst I	0	0	1	0	1
Environ Eng Asst II	2	1	0	0	3
Environ Engineer I	0	1	2	0	3
Environ Engineer II	0	1	0	0	1
Environmental Spec II	3	1	0	0	4
Environmental Spec III	2	2	3	0	7
Environmental Spec IV	4	0	4	1	9
Environmental Tech I	0	1	0	0	1
Environmental Tech II	0	0	0	1	1
Maint Spec Etronics Journey I	0	0	1	0	1
<b>Totals</b>	<b>25</b>	<b>12</b>	<b>24</b>	<b>2</b>	<b>63</b>