

US EPA ARCHIVE DOCUMENT

Questions and Answers: Section 103 Clean Air Act PM-2.5 Monitoring Program Implementation

1. Q. Who is eligible for federal assistance under this program?

A. Eligibility under this program is applicable to State and local governments, Indian Tribes, and U.S. territories and possessions which submit applications proposing projects with technical merit and relevance to EPA's mission. All information provided by EPA as grant guidance applies equally to the above entities as eligible applicants/recipients of federal assistance under this program.

2. Q. What are the advantages of funding under Section 103 compared with Section 105?

A. States have made a convincing case both to EPA and the Congress that PM-2.5 monitoring is a new and added function to their programs and should be 100% funded by EPA. This can be done under the authority of Section 103, which does not specify a required match. Section 105 has traditionally provided the primary authorization for federal assistance to State and Local Air Pollution control agencies for continuing programs. With the emergence of new priorities in air and radiation programs, EPA is faced with funding projects that are not of a continuing nature. As requested by the Administration, 100% of the PM-2.5 funding will be Federal assistance, with no requirement for Non-Federal match. These awards must follow the general grant regulations in 40 CFR Part 31, since the applicants will primarily be State and Local Governments.

3. Q. Who issues a Section 103 award?

A. As Award Official, the Regional Administrator has the authority to make a Section 103 award. Regions have been awarding Section 103 grants to Native American tribes and Multi-State organizations for some years now. Some Regions have delegated award authority below the Regional Administrator level. The Regional Administrator or designated Award Official also issues the Section 105 award or Performance Partnership Grant (PPG).

4. Q. Are there any differences in applying and managing a Section 103 award as compared with a Section 105 award?

A. No, the application process is the same: the Standard Application Forms 424 a and b, the Assurances and Financial Status Report (SF 269) forms, budget detail, project narrative (workplan) and program specific requirements would need to be submitted. The Section 103 application will be submitted separately from any ongoing PPG application or categorical

Section 105 application. The grants management practices stipulated in 40 CFR Part 31 must be followed. A recipient must submit a yearly progress report to EPA on the status of accomplishments. However, more frequent reporting may be requested by EPA's Office of Air and Radiation (OAR)/ Office of Air Quality Planning and Standards (OAQPS) to assure performance in meeting commitments to establish the monitoring network.

5. Q. Which vehicle would be the easiest to use to fund the PM-2.5 monitoring program?

A. Section 103 is the best vehicle to use because of the flexibility it affords both EPA and States as a "project" grant versus a "program" grant. Section 103 affords the most leeway in awarding a grant of this type. Funding under Section 103 would prevent delays in funding due to negotiations of the Section 105 and PPG's with the States. As a project grant, EPA and the States have a more direct route in tracking performance and accountability.

6. Q. How will the funding for the PM-2.5 program be categorized?

A. At this time, it is expected that Congress will appropriate funds under Section 103 to be utilized for PM-2.5 monitoring activities and the purchase of PM-2.5 monitors.

7. Q. Can the PM-2.5 grant under Section 103 be included as part of a Performance Partnership Grant (PPG) application and award?

A. No, funds for this program cannot be included as part of a PPG. EPA's approved FY 1998 appropriation specifies that funds under this program be awarded under Clean Air Act Section 103 authority. The authorizing statute for Performance Partnership Grants, the Omnibus Consolidated Recissions and Appropriations Act of 1996, specified 16 eligible grant programs. Demonstration grant authorities, such as Section 103 of the Clean Air Act, were not eligible for inclusion.

8. Q. What will the EPA Assistance Agreement Form (5700-20A) look like?

A. Form 5700-20A is a standard Government-wide award document form. It will reflect Section 103 as the Statutory Authority, with a one year project period, the funding amount and other information. Section 103 allows for the extension of a project period should funding become available in subsequent years.

9. Q. Will this affect draw-downs under the letter of credit or other payment mechanisms?

A. The customary mechanisms are not affected by the difference in statutory authority.

10. Q. Can the assistance agreement be amended?

A. 40 CFR Part 31 allows for the assistance agreement to be amended at any time by mutual agreement between the Award Official and the grantee.

11. Q. What does the Section 103 grant pay for in the State PM-2.5 Program?

A. The Section 103 grant will cover the monitoring purchase, network design, siting, operation and maintenance, and continuous monitoring and/or meteorological stations at selected sites.

12. Q. What does the National EPA contract pay for in the State PM-2.5 Program?

A. The National EPA contract will pay for the actual purchase of the PM-2.5 monitors, with benefits to grantees expected to accrue as a result of lower unit costs that would be available. EPA National Contracts may also be utilized for equipment and services such as procurement of filters, support equipment, speciation equipment, filter speciation costs, and independent PM-2.5 performance audits.

13. Q. How will the Section 103 grant and the National contract interact/complement each other to implement the PM-2.5 Program?

A. The Section 103 grant mechanism will be the vehicle to tap into the National contract. The fact that the State applies for these grant funds will set the process in motion for the contract to apply. This will be the State's formal request for EPA to put the contract mechanism into action.

14. Q. Does a State/Local Grantee have to use the National Contract established by EPA to purchase PM-2.5 monitors?

A. Grantees will have a choice as to participation in the National Contract. The National Contract will be designed to streamline the process, with all the monitors and vendors that comply with the Federal Reference Method in one place. Grantees who choose not to participate will be on their own to secure equipment and services.

15. Q. Will the Section 103 grant continue to pay for implementation of the PM-2.5 Program after all monitors are purchased, shipped to grantees, and are set up/operational?

A. It depends on the type of National Contract that is in place. It is under discussion as to how and when the PM-2.5 monitoring efforts will ultimately be brought into the Section 105 grant program.

16. Q. EPA has stated its intent to fully fund implementation. What happens after the networks are established, i.e., maintenance of networks? Will the extra funds continue to be available to States/Locals to operate and maintain PM-2.5 networks or will States/Locals have to absorb costs for operation and maintenance?

A. It is believed that EPA will switch from the Section 103 to the Section 105 grant mechanism after two years, since there is a planned 2-year phase-in of new PM-2.5 monitors. Later, the full cost of operating the network will be part of the Section 105 grant program.

17. Q. What kind of tracking and accounting is required for a grantee having both Section 103 and Section 105 grants from EPA for air activities?

A. Agencies will have to separately identify their Section 105 activities and 103 activities. Grant recipients will need to ensure the fiscal integrity of their grant in order to avoid any inappropriate co-mingling of funds. 40 CFR Part 31 provides that State laws and procedures for expending and accounting of funds hold primacy and must be well documented and enable the clear tracking of funds, including the necessary differentiation of activities and expenditures related to Section 103 and 105. This includes adequate financial reporting, accounting records, internal controls and budget controls. For example, during the course of a day, there conceivably could be an employee that works on Section 105 activities and then switches to performing activities covered under the Section 103 grant. Agencies must keep appropriate time and effort records in such cases.

18. Q. What are acceptable grant workplan content and procedures for PM-2.5 activities?

A. Each grant applicant should develop a grant workplan that shows the full range of PM-2.5 program commitments for the course of the year. The recipient's workplan must comply with all applicable federal statutes and regulations.