

ISSUES AND RECOMMENDED ACTION PLAN – FUNDING
TEXAS MOBILE SOURCE SUMMIT
Austin, Texas, November 30, 2005

Discussion Group Participants

- Craig Beskid
- Brian Bochner, recorder
- Ruben Casso
- Gregg Cooke, moderator
- Kathi Harris
- Becky Dennison Lupes
- Jeff Myrha
- Kingsbury Otto
- Darrell Powell
- Mary Jo Rowan
- Shelley Whitworth

Objective

Identify issues, options, recommendations, and an action plan to advance funding to support implementation of emission reduction measures. This group was to address the top five issues, needs, and suggestions made from the first day's brainstorming session and subsequent prioritization of those suggestions. The top suggestions are listed below.

Recommended Action Plan

The discussion group concluded that two funding categories have needs that far outstrip all others — TERP/LIRAP and CMAQ. These categories were discussed in detail and action plans developed. Additional funding issues were also discussed and initial actions identified.

The attached table concisely describes the issues and recommended actions.

Funding Issues And Recommended Action Plan

Issues	Recommended Action Plan
Highest Priority	
<p>TERP/LIRAP</p> <ul style="list-style-type: none"> • All authorized funds need to be appropriated to meet SIP and other emission reduction program needs • Previous projections of funding needs have been too low to meet emission reduction needs under 8-hour standards and 2010 conditions • Cost-effectiveness target of \$5,000/ton was unrealistically low • Funding is also needed to meet conformity needs 	<ol style="list-style-type: none"> 1. Conduct study (e.g., HARC or TERC) to estimate needs for TERP funding to meet 2010 SIP needs for all anticipated Texas nonattainment areas and to establish a more realistic cost/ton threshold; assume all SIP measures will be implemented. Identify links between emissions sources, implementation, and funding needs. Also link fund source-benefits (e.g., diesel sales). Address funds already accumulated and estimate funds to be collected in TCEQ clean air fund through at least end of 2009. 2. Prepare white paper based on study outputs and strategic conclusions 3. Work with TCEQ and EPA on SIP projections to ensure sufficient funding coverage 4. Talk with Legislative Budget Board (LBB) and House and Senate committee leaders/staff about SIP development and the need for TERP funds to permit full implementation. 5. Focus on both budgeting and appropriations 6. Prepare and provide testimony to legislative committees for the 2007 session. 7. Work with TCEQ and EPA on SIP projections to ensure sufficient funding coverage
<p>National CMAQ Fund Clarification</p> <ul style="list-style-type: none"> • New non-road eligibility for funding • Difficulty of use in combination with TERP • Cost-effectiveness threshold for TERP funds and compatibility with suggested CMAQ cost-effectiveness considerations • On-road/non-road funding competition (what is best application of CMAQ funds?) • Need more and clearer federal guidance • Need to recognize both SIP and conformity needs 	<ol style="list-style-type: none"> 1. Seek recognition of both SIP and conformity funding needs and more consideration of emissions reduction cost-effectiveness in use of CMAQ funds 2. Request MPOs to provide inputs to EPA (OTAQ) and FHWA as to what they want to see in new CMAQ guidance 3. Request EPA to respond to MPO inputs and how best to facilitate interaction with Texas MPOs and other agencies regarding those requests (Ruben Casso, EPA region 6, volunteered to facilitate) 4. Work with TCEQ, EPA, TxDOT, FHWA on new guidance to get emissions cost-effectiveness from CMAQ. 5. Conduct meetings and/or workshops with EPA, FHWA, TCEQ, TxDOT after guidance is released to discuss it and how CMAQ will/should be used. 6. Have SIP Work Group propose a strategy for application of CMAQ funds in Texas.
Lower Priority	
<p>DERI (Diesel Emissions Reduction Initiative)</p> <ul style="list-style-type: none"> • This initiative was legislatively created by Congress but not funded 	<ul style="list-style-type: none"> • Support funding of this initiative • Develop and provide input to congressional committees

Funding Issues And Recommended Action Plan

Issues	Recommended Action Plan
<p>Interstate Diesel Collaborative</p> <ul style="list-style-type: none"> • Texas will need to be part of a larger collaborative to attract funds from this initiative • There is already a west coast collaborative formed 	<ul style="list-style-type: none"> • Request EPA to provide structure to create a collaborative effort for this initiative
<p>Federally Pre-Empted Sources</p> <ul style="list-style-type: none"> • Cost-effective opportunities to implement airport, seaport, railroad emissions reduction measures being lost due to federal pre-emption of regulation on such equipment as: <ul style="list-style-type: none"> • RR switch engine replacement • Tugs • Aircraft “idling” on taxiways 	<ul style="list-style-type: none"> • Research and prepare white paper on issues and opportunities associated with TERP-type funding for cost-effective emissions reduction measures • Educate state legislature, TCEQ, EPA about where TERP funding comes from and where those funds can be most cost-effectively used
<p>Emissions based vehicle-oriented fees</p> <ul style="list-style-type: none"> • Opportunity to use such fees as incentives to purchase lower emitting vehicles 	<ul style="list-style-type: none"> • Research (e.g., HARC, TERC) and prepare white paper on ways to use existing sales tax or initial vehicle registration fee structure to incentivize purchase of low emitting vehicles