

March 17, 2015

The Honorable Gina McCarthy
Administrator
U.S Environmental Protection Agency

RE: Docket ID No. EPA-HQ-OAR-2008-0699

Dear Administrator McCarthy:

The undersigned metropolitan business organizations (collectively “the Chambers”) appreciate the opportunity to submit the following comments in response to the EPA’s proposal to lower the ozone National Ambient Air Quality Standards (NAAQS) from 75 parts per billion to a range of 65-70 ppb.¹ The Chambers submitting these comments drive the local economies of states across our nation, with a majority being in the unique and fortunate position of having recently been identified as among the twenty top-performing metro economies according to the Brookings Institution.² In other words, they are located in some of the country’s most economically prosperous areas in the United States right now. Much of that prosperity and economic growth is being threatened and could be halted completely by the EPA’s proposal to lower the ozone standard. Consequently, the undersigned request that the EPA retain the current 75 ppb ozone standard.

If the EPA were to lower the ozone standard to 65 ppb, all but two of the nation’s top twenty metropolitan area economies, as ranked by the Brookings Institution’s assessment of performance through recession and recovery, would be in “nonattainment” status. Severe repercussions can result almost immediately from a nonattainment designation, such as increased costs to industry, permitting delays, restrictions on expansion, as well as impacts to transportation planning.

¹ Proposed Revisions to the National Ambient Air Quality Standards for Ozone, 79 Fed. Reg. 75,234 (December 17, 2014) at <http://www.gpo.gov/fdsys/pkg/FR-2014-12-17/pdf/2014-28674.pdf>.

² <http://www.brookings.edu/research/interactives/metromonitor#/M10420>.

In essence, being in “nonattainment” can make it much more difficult for an area to attract new business or expand existing facilities.

According to a recently released Public Policy Commentary by the Baton Rouge Area Chamber,³ below are the Brookings Institution’s top twenty metropolitan area economies cross referenced with those areas’ ozone values (2011-2013).

Brookings Institute Metro Monitor - September 2014			
City/Area	State	Overall Rank (Recession + Recovery)	Ozone Design Value 2011-2013
Austin	Texas	1	73
Harris/ Houston	Texas	2	82
San Antonio/Bexar	Texas	3	81
Dallas	Texas	4	84
Oklahoma County	Oklahoma	5	79
Davidson/Nashville	Tennessee	6	70
Provo/Orem	Utah	7	73
San Jose/Silicon Valley (Santa Clara)	California	8	68
Delaware/Columbus	Ohio	9	80
El Paso	Texas	10	72
Denver/Boulder	Colorado	11	79
Portland	Oregon	12	56
Salt Lake	Utah	13	76
Raleigh/Durham	North Carolina	14	71
Omaha	Nebraska	15	67
Charleston	South Carolina	16	63
Pittsburgh	Pennsylvania	17	76

³ http://www.brac.org/brac/news_detail.asp?article=1947.

Spartanburg/Greenville	South Carolina	18	72
Grand Rapids	Michigan	19	74
Baton Rouge	Louisiana	20	75

Brookings’ Metro Monitor tracks the performance of the one hundred largest U.S. metropolitan areas on four indicators: jobs, unemployment, output (gross product), and house prices. The analysis of these indicators is focused on change during three time periods: the recession, the recovery, and the combination of the two (recession + recovery). To create the chart above, the Baton Rouge Area Chamber cross-referenced the Brookings Institution’s rankings with their respective ozone design values (average of fourth highest readings over a period of three years), as compiled by the EPA.

It is important to note that all of the undersigned groups believe in and are committed to cleaner air and environmental quality. Indeed, some of them have worked hard in the past few years to reduce ozone levels in their areas. The Chambers also believe in economic development, job creation, and prosperity for their metropolitan areas. A balance between these goals can be achieved; however, lowering the ozone standard at this time, particularly when the 2008 standard is still being implemented, would make that balance almost certainly unachievable. And without that balance, projects will be lost and economic opportunities missed.

The Baton Rouge Area already has seen the real-world impacts of those lost opportunities. Since the EPA first proposed lowering the 2008 ozone NAAQS, the Baton Rouge Area has seen four major industrial projects totaling **2,000 direct and indirect jobs**, and more than **\$7 billion in capital investment** either put on hold or go elsewhere. These losses are in direct correlation with the uncertainty created by the newly proposed ozone standards rule.

In 2014, BRAC worked with four specific chemical manufacturers that were investigating major investments in the region. This included two companies that executed purchase agreements on large industrial sites with intent to develop.

Subsequently, all four of these companies indicated that the EPA’s proposed new standards (and availability of emission reduction credits) influenced their decisions to look elsewhere or not proceed. The direct impact on the Baton Rouge Area, in terms of new payroll created from the projects themselves, would have been over **\$86 million annually in wages** for the local economy. This does not include any indirect or “spin-off” investment or payroll created. Because these projects will include foreign direct investment projects, they also represent new U.S. investment from multi-national corporations into our country.

Unfortunately, these cancelled projects and the resulting lost jobs and economic revenue will not be the only examples of missed opportunities, particularly if the EPA lowers the current ozone standard. Our metropolitan areas have been among the economic bright spots in this country in the last few years, particularly during a time of economic recovery. The Chambers impress upon the EPA that they all have projects that are underway and/or have been announced for future construction, many of which will be threatened if the EPA further tightens the 75 ppb ozone standard.

Economic development and environmental stewardship do not have to be mutually exclusive goals. The Chambers and their members are committed to both, and ask that the EPA retain the current ozone standard so that they can continue to work towards achieving both.

Sincerely,



