



Statement of the U.S. Chamber of Commerce

FOR: SUBMISSION FOR THE RECORD ON DRAFT POLICY
ASSESSMENT FOR THE REVIEW OF THE OZONE
NATIONAL AMBIENT AIR QUALITY STANDARDS

TO: CASAC OZONE REVIEW PANEL MEETING

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The Chamber's mission is to advance human progress through an economic,
political and social system based on individual freedom,
incentive, initiative, opportunity and responsibility.

The U.S. Chamber of Commerce is the world's largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations. The Chamber is dedicated to promoting, protecting, and defending America's free enterprise system.

More than 96% of Chamber member companies have fewer than 100 employees, and many of the nation's largest companies are also active members. We are therefore cognizant not only of the challenges facing smaller businesses, but also those facing the business community at large.

Besides representing a cross-section of the American business community with respect to the number of employees, major classifications of American business—e.g., manufacturing, retailing, services, construction, wholesalers, and finance—are represented. The Chamber has membership in all 50 states.

The Chamber's international reach is substantial as well. We believe that global interdependence provides opportunities, not threats. In addition to the American Chambers of Commerce abroad, an increasing number of our members engage in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

Positions on issues are developed by Chamber members serving on committees, subcommittees, councils, and task forces. Nearly 1,900 businesspeople participate in this process.

Comments Prepared for the
CASAC Ozone Review Panel Meeting
March 26, 2014

Comments on the Clean Air Science Advisory Committee Ozone Review Panel's Second External
Review Draft Policy Assessment for the Review of the Ozone National Ambient Air Quality
Standards

Mary K. Martin
U.S. Chamber of Commerce

Good afternoon. My name is Mary Martin and I am here on behalf of the U.S. Chamber of Commerce. The Chamber is the world's largest business federation representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations. With respect to this Panel's review, the Chamber has serious concerns about any possible revisions to the ozone NAAQS because of the potentially devastating economic and employment impacts that could result from further tightening of the standards.

One area that is particularly troubling is the EPA's continued failure to adequately consider the impact of international border pollution on current and future ozone levels in the United States. In recent years, scientists have measured increasing amounts of air pollution coming to the United States from overseas, particularly Asia. Pollutants, such as ozone and particulate matter, are carried across the oceans at high altitudes and deposited on the Western United States. Other pollutants coming from Mexico, Canada, and Africa affect air quality in the Northeast, Southeast, and Southwest areas of the United States. A recent study found that "on a day-to-day basis, the transport of [emissions embodied in export]-related

Chinese pollution contributed, at a maximum, ... 2-5% of ozone ... over the western United States, and it also contributed up to 8% of daily mean ozone over parts of the Great Lakes region.”¹ Undoubtedly, numbers like these reflecting the impact of overseas pollution on the United States are only going to grow. The world economy is expanding, especially the economies of China and India, whose pollution has been demonstrated to consistently reach the continental United States.

The Chamber has long implored the EPA to consider international emissions in its regulation of air pollutants. In fact, in 2006, the Chamber petitioned the EPA for a rule implementing Clean Air Act Section 179B, which requires the agency to protect U.S. states and regulated entities from suffering regulatory and economic burdens due to foreign emissions. Specifically, Section 179B eases nonattainment penalties on states able to show that they would be in attainment “but for” emissions emanating outside of the United States. Despite these efforts, the impacts of international emissions on ozone levels in the United States continue essentially to be a non-factor in the imposition of ozone standards.

This is a critical flaw in the review, setting and implementation of the ozone NAAQS because international emissions have added and increasingly will add to domestic ozone levels. In fact, the aforementioned study found that “Chinese pollution ... resulted in one extra day or more of noncompliance with the US ozone standard in 2006 over the Los Angeles area and many regions in the United States.”² The study also concluded that Chinese emissions

¹ See “China’s international trade and air pollution in the United States” by Jintai Lin, et al., *Proceedings of the National Academy of Sciences of America*, Vol. 111, No. 5 (January 21, 2014); available at <http://www.pnas.org/content/111/5/1736>.

² *Id.*

“increased the number of days in 2006 when the daily maximum 8-hour average ozone concentration exceeded the current US standard” of 75 parts per billion.³ This data demonstrates that international pollution can directly affect the ability of U.S. counties to comply with current ozone standards, and in fact, cause them to be in non-compliance. As we are all aware, failure to comply with existing ozone standards can lead to non-attainment designations, which are often viewed as a death knell for economic and business development in an area.

Indeed, severe repercussions result almost immediately from non-attainment designations, such as increased costs to industry, permitting delays, restrictions on expansion, as well as impacts to transportation planning. There are significant adverse consequences to being designated a non-attainment area, making it substantially harder for a community to attract new business or expand existing facilities. Furthermore, in non-attainment areas, EPA is able to revise existing air permits, which can cause tremendous uncertainty, delays, and increased costs in the permitting process for businesses.

In summary, any tightening of the ozone standard would be premature because the impact of international emissions must be fully considered by the EPA. Otherwise, if even stricter regulatory measures were to be imposed, states and regulated stakeholders could well be burdened with even costlier responsibilities, but still find themselves in non-compliance because of overseas pollutant impacts. As the nation’s leading business group, the Chamber impresses upon this Panel the fact that the likely economic fall-out from such non-compliance –

³ *Id.*

especially at such a critical time in our country's economic recovery – could be particularly harmful for states, local communities, and the business community.

Thank you for your time and consideration today.