

HEARING ON EPA'S PROPOSED REVISIONS TO THE PARTICULATE MATTER
AIR QUALITY STANDARDS
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United States Senate
Committee on Environment and Public Works
Subcommittee on Clean Air, Climate Change and Nuclear Safety

Thursday, July 13, 2006
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THURSDAY, JULY 13, 2006

U.S. Senate,
Committee on Environment and Public Works,
Subcommittee on Clean Air, Climate Change
and Nuclear Safety,
Washington, D.C.

1 The committee met, pursuant to notice, at 9:30 a.m. in room 628,
2 Dirksen Senate Office Building, Hon. George Voinovich [chairman
3 of the committee] presiding.

4

5 Present: Senators Voinovich, Inhofe, Bond, DeMint, Isakson,
6 Carper, and Lautenberg.

7

8 OPENING STATEMENT OF HON. GEORGE V. VOINOVICH, U.S. SENATOR FROM
9 THE STATE OF OHIO

10

11 Senator Voinovich. The Committee will come to order. Good
12 morning, and thank all of you for coming.

13

14 Today's hearing is the first in Congress on the Environmental
15 Protection Agency's Proposed Revisions to the Particulate Matter
16 Air Quality Standards. We are focusing on what EPA proposed,
17 what it means for the Nation. Next Wednesday, I have asked
18 Chairman Inhofe to hold a second hearing at the full Committee
19 level instead of this Subcommittee on the science and risk
20 assessment behind the agency's proposed revisions.

21

22 This is a very important issue with broad ranging impacts. It is
23 at the core of what I focused in this Committee, the Senate and

1 throughout my career. It gets back to harmonizing our energy,
2 environment and economic needs. And I think that our refusal to
3 look at cost benefit analysis, peer review, alternative ways of
4 getting things done, has cost this Country dearly. We just can't
5 keep going the way we are. It is not sustainable.

6
7 Before discussing EPA's proposal, it is very important that we
8 put this hearing into context. First, our air is getting
9 significantly cleaner. This chart is there, it is very clear.
10 And that is that in spite of the fact that we have had a 187
11 percent increase in gross domestic product, 171 percent increase
12 in the miles traveled, energy consumption has been up 47 percent,
13 population up 47 percent, we have had a 54 percent reduction in
14 emissions from the six principal pollutants. Many Americans are
15 not aware of that.

16
17 Second, our Nation's high energy prices are having a devastating
18 impact across the United States. We have the highest natural gas
19 prices in the world, impacting families who depend on it to heat
20 their homes and businesses, and use it to make their products. I
21 have to tell everybody and this room and this Committee, every
22 time I go home, people are screaming about their gas costs. And
23 they know they are down now, but this winter__we were lucky, we
24 had a light winter. And these are a lot of poor people who can't
25 afford it. Even the local restaurants are complaining, people
26 aren't coming in. Between the high natural gas costs and
27 gasoline prices, it is having a devastating impact on just the
28 ordinary citizen in this Country.

29
30 We have lost more than 3.1 million jobs. In my State, we have
31 lost 200,000 manufacturing jobs, partially due to high natural
32 gas costs. Third, EPA has designated 495 counties across the
33 Nation, 38 of them in my State, as in non- attainment of the
34 existing particulate matter and ozone air quality standards.

1 States are working now to develop implementation plans to comply
2 with these standards. As a former Governor who brought Ohio's
3 counties into attainment, I know first-hand that this is an
4 extremely complicated and resource-intensive task. This
5 Subcommittee has examined the great challenge associated with
6 implementing these standards with hearings that I held in April
7 of 2004 and November of 2005.

8
9 But here we go again. EPA has proposed to move the goal post on
10 State and local communities in the middle of this process by
11 changing the particulate matter standards. I am going to focus
12 not on coarse but fine particulate matter, where EPA proposed to
13 reduce the daily standard from 65 micrograms per cubic meter to
14 35 and retain the annual standards at 15.

15
16 Under EPA's current standards, there 208 non-attainment counties.
17 There they are right there. And if EPA lowers their annual
18 standard to 14, let's show chart 3, it shows 631 counties that
19 could be in non-attainment under such revision. I would like to
20 admit that the information we got from that was prepared by the
21 American Petroleum Institute. So I want everybody to understand
22 that. But Mr. Wehrum, I would love to see your chart. And your
23 chart differs from this. But I can guarantee you that there are
24 a whole lot more counties with 14 than there are currently today
25 in non-attainment.

26
27 EPA claims the Federal clean air rules, such as the Clean Air
28 Interstate Rule and the new diesel fuel engine regulations will
29 bring most of the counties into attainment without local effort.
30 This is exactly what EPA told us with the current standards. But
31 we have seen that it ignores reality. I was told, even by the
32 guy that runs CEQ, Jim Connaughton, don't worry.

33
34 Now, my EPA director Joe Koncelik says we have to worry. By

1 2010, we are in deep trouble in our State, because we are not
2 going to be able to meet even the current standards that have
3 been set. Additionally, non-attainment designation threatens
4 highway funding and it is going to push us into more use of
5 natural gas and increase our electric rates.

6
7 Further, the Federal clean air rules will play only a small role
8 in the designation of non-attainment areas and in helping
9 communities meet the standards. Again, I have been told that
10 these new regulations, the CAIR rules and everything else are
11 going to help out. But the attainment is going to come out
12 before those rules even really take effect. And then when you
13 determine the attainment deadline at the end of 2015, that is
14 when the other set of these are supposed to take effect. In
15 effect, what EPA is saying about all these things are going to
16 mitigate the problem, don't worry, I don't agree with it. It
17 doesn't make sense.

18
19 This is frustrating, but the truth is that we do not know what
20 impact revising the standards is going to have on this Country.
21 And neither does the EPA. The agency has released a draft
22 regulatory impact that only looks at five cities. I will insert
23 into the record comments from several industries that because of
24 the uncertainty project the cost of EPA's proposal to be as low
25 as \$20 billion and as much as \$60 billion, \$20 billion and as
26 much as \$60 billion. It would be the most expensive Federal
27 regulation in the history of the Office of Budget and Management.

28
29 EPA says that we should ignore this analysis, because they will
30 release a completely different one when the final decision is
31 made. I am astounded that EPA is working on this major rule
32 behind closed doors and we will not know what impact it will have
33 until the final decision is released.

1 I will conclude with three points. I understand the law requires
2 EPA to review the air quality standards every five years, and
3 that a court settlement requires a final decision by September of
4 this year. However, the law and the consent decree do not
5 require EPA to change the standard. In fact, I would like to
6 insert into the record a report from the Congressional Research
7 Service on several questions that Chairman Inhofe and I have
8 asked. According to CRS, EPA has conducted multiple reviews of
9 the National Ambient Air Quality Standards since their
10 establishment in 1971. The primary health-based standards have
11 been strengthened twice, retained six times and relaxed or
12 revoked on three occasions.

13
14 Next I want people to understand that the Clean Air Act gives the
15 EPA Administrator the discretion to set the standard. Let me
16 quote from the CRS report again: ``The Administrator is given
17 clear discretion: the requirements are conditioned by the phrase
18 'in the judgment of the Administrator.''' And lastly, this rule
19 will have a major impact on this Nation and the people that are
20 concerned.

21
22 After all the members give their opening statements, I am going
23 to insert letters and statements from Governors, Mayors and other
24 elected officials and various groups expressing concern about
25 revising the particulate matter standards at this time. I look
26 forward to hearing from the witnesses on this.

27
28 [The prepared statement of Senator Voinovich follows:]

29
30 Senator Voinovich. Senator Carper.

31
32 Senator Carper. I think Senator Inhofe had asked to go ahead, out
33 of order, and that is fine with me.

1 OPENING STATEMENT OF HON. JAMES M. INHOFE, U.S. SENATOR FROM THE
2 STATE OF OKLAHOMA

3
4 Senator Inhofe. Senator Carper, I do appreciate that very much.
5 I want to tell you, Mr. Chairman, and the rest of this Committee,
6 that this is very, very significant, what we are doing here
7 today. Unfortunately, because of the Hamdan decision, the United
8 States Supreme Court decision on detainees and the Uniform Code
9 of Military Justice, I have to attend that hearing. However, we
10 will have a chance to get into more detail, as you pointed out,
11 on Wednesday.

12
13 Mr. Wehrum, I would like to make the point that, well, let me
14 also say that I appreciate, Mr. Chairman, the passion that you
15 have on these issues. I know it goes without saying that you are
16 probably one of the most qualified people on air issues that we
17 have had. Even when you were Governor of Ohio, you came, when I
18 held the Chair of the Subcommittee that you chair now, and
19 testified. So I know we are leaving this in good hands.

20
21 I would make the point that I do not believe the science
22 justifies ratcheting down the regulations, as I have told you in
23 my office, given the estimated risk today is less than what was
24 estimated in 1997 under Carol Browner when the current standard
25 was set. I am also troubled that EPA has been selective in what
26 studies it has chosen to give weight to this review, thus skewing
27 the results by downplaying studies which show the current
28 standards are sufficiently strict. I think you are selectively
29 going after studies that give you the conclusion that you want.

30
31 We are going to examine the science issues at the hearing this
32 coming Wednesday. Today we are focused on better understanding
33 the process by which the EPA makes these determinations. The
34 history of the past decisions and the impacts caused by possible

1 tightening standards, I believe the economic impacts will be very
2 severe as the Chairman pointed out in his State of Ohio.

3
4 I am troubled that EPA has not provided to the public or this
5 oversight Committee a comprehensive regulatory impact analysis.
6 While a NAAQS review is based on health considerations by
7 statute, Congress wrote the law and is responsible not only for
8 overseeing its execution but for evaluating whether the way it is
9 crafted is appropriate in light of its unintended consequences.

10
11 Moreover, any assessments of health benefits can only be made
12 with an understanding of the economic consequences because there
13 is a clear link between economic vitality and human health. In
14 short, wealth is health. Poorer communities often suffer from
15 inadequate infrastructure and that in turn will be exacerbated if
16 these areas are designated non-attainment unnecessarily.

17
18 As we have heard in the past, when electricity prices rise, the
19 poor and the elderly in the inner cities, such as Chicago, turn
20 off their air conditioning and scores die each summer because
21 they can't afford their air conditioning. As local officials
22 know all too well, the additional burdens placed on new
23 manufacturing facilities discourage them from locating in these
24 regions.

25
26 As a former mayor, I know that air regulations and the increased
27 control burdens that accompany them for many areas can be an
28 important factor in the decisions by companies as to where they
29 will be locating their facilities. In fact, we were both mayors
30 at the same time, and I can assure you that we actually lost
31 industries at this time. So this goes far beyond just the
32 considerations that we seem to be talking about today. Many
33 counties, due to the implementation of current regulations such
34 as Diesel Rule, Clean Air, Interstate Rule and others will come

1 into compliance with current health standards.

2
3 Yet these areas will be designated non-attainment with the new
4 standards and thus forced to impose additional controls and to
5 remain unattractive for new business investments. By moving the
6 goal post, we upset the ability of these communities to pursue
7 their compliance strategies and keep them in an endless loop that
8 depresses their economies.

9
10 I know some of my colleagues don't think we should be holding
11 this hearing today. But it would be irresponsible for this
12 Committee if we did not conduct thoughtful oversight of not only
13 the science and health issues, as we will less than a week from
14 today, but also the potential economic impacts from these
15 regulations. We have to look at both sides, and I applaud
16 Chairman Voinovich for holding the hearings today.

17
18 I would hope, Mr. Chairman, that we can look at some things, I
19 find it disturbing the EPA would assume that certain States will
20 violate the law. If California were to comply, what would they
21 have to do? In California, many of their counties have been out
22 of compliance with the current standards, and many more with the
23 new standards if they are tightened. But nothing seems to
24 happen. It does in Oklahoma, and it does in Ohio, but not in
25 California. And I think we are not getting equal application of
26 these rules.

27
28 So I have a lot of questions that I will be submitting for the
29 record. Unfortunately, I do have to attend that Armed Services
30 hearing. So I applaud the fact that you are holding this
31 hearing, and Senator Carper, I thank you for yielding to me so
32 that I can get over to another hearing.

33
34 [The prepared statement of Senator Inhofe follows:]

1 Senator Voinovich. Thank you, Mr. Chairman.

2

3 Senator Carper.

4

5 OPENING STATEMENT OF HON. THOMAS R. CARPER, U.S. SENATOR FROM THE
6 STATE OF DELAWARE

7

8 Senator Carper. Thanks, Mr. Chairman.

9

10 Welcome, Mr. Wehrum. It is good to see you. Thanks for coming
11 back to join us, and to you and the other witnesses that are here
12 today to testify, thank you for your time and for your testimony.

13

14 No one disputes that we have made significant environmental
15 progress since the Clean Air Act was first passed into law. But
16 I would submit that our work is not over. Despite this progress,
17 many areas of our Country, including Delaware, have significant
18 air quality problems. In Delaware, the entire State exceeds
19 EPA's health standards for ozone. And northern Newcastle County,
20 which is where I live, doesn't meet EPA standards for fine
21 particulate matter.

22

23 I know a lot of people want to discuss the cost associated with
24 attaining these standards, and we should. We want to discuss
25 whether or not meeting them would negatively impact our economy.
26 I would just suggest that we stop and think about another notion,
27 and that is that the cost of protecting the public health is far
28 less than the cost of breathing dirty air. When I was privileged
29 to be Governor, and serve with this guy right here, we wrestled
30 in my little State with what we could do in our State to try to
31 reach attainment. We looked at the costs and how it would impact
32 our industries in my State.

33

34 What I discovered and what has become even more painfully obvious

1 today is that the costs of breathing dirty are a far heavier
2 burden on our economy than the cost of air pollution controls.
3 According to a recent survey, during each of the summer months,
4 when air pollution is at its worst, almost one in every five
5 adult Delawareans are unable to work or carry out certain daily
6 activities for one or more days. There are 46,000 in Delaware
7 who suffer from asthma. Roughly half of them are children. They
8 have difficulty breathing when they go outside to play because of
9 their asthma. Three thousand children in my State under the age
10 of four are hospitalized in Delaware each year.

11
12 That is just one small State on the east coast. The dirty air
13 that millions of Americans are being forced to breath is costing
14 us dearly. It impacts our health, it impacts our productivity,
15 it impacts our quality of life.

16
17 The National Association of Manufacturers released a publication
18 this month entitled Health Care Cost Crisis. The publication
19 states, ``The rising cost of health coverage is one of the
20 biggest challenges manufacturers face today.`` I am going to
21 leave here for a few minutes and slip out and walk into our Aging
22 Committee. The CEO of General Motors, Rick Wagner, who tells me
23 that the cost of health care for their company, for their
24 employees, their pensioners, the families of their employees and
25 their pensioners, actually costs more than not just the cost of
26 the steel that goes into their cars, it costs more than all the
27 capital investments they make around the world.

28
29 But in terms of solutions, the first quick fix that the National
30 Association of Manufacturers offers is the following. Again I am
31 going to quote. ``Intensively managing chronic health care
32 conditions, for example, diabetes, hypertension and asthma, can
33 generate substantial cost savings and increase productivity.``
34 That is there quote. Let me say that again. According to the

1 National Association of Manufacturers, one of the best ways for
2 companies to save money, including General Motors, and increase
3 productivity, is to address conditions like asthma.

4
5 And what causes conditions such as asthma? According to the
6 latest science, particulate matter is associated with premature
7 death, aggravation of heart and respiratory disease, asthma
8 attacks, lung cancer and chronic bronchitis. If we want to help
9 manufacturers, and we do, we need to address these chronic health
10 care problems. And we need to do it now.

11
12 Unfortunately, once EPA finally decides on a new standard, areas
13 will not need to comply with them for at least another decade.
14 And some will be unable to get extensions until 2020. We need to
15 begin addressing our air pollution problems today.

16
17 This is why I recently introduced, with a number of our
18 colleagues, including Senator Lamar Alexander and Senator Chafee,
19 our proposal that we call the Clean Air Planning Act. Our
20 proposal will cut sulfur dioxide emissions by 82 percent by 2015.
21 Sulfur dioxide, as we know, is one of the major forms of
22 particulate matter that causes all of these chronic health
23 problems.

24
25 Our legislation will reduce this pollution from 11 million tons
26 emitted today from utilities to 4.5 million tons in 2010. In
27 2015, the power plants will have to reduce emissions to just 2
28 million tons. According to an EPA presentation last fall, our
29 proposal would cut the number of areas currently in
30 non-attainment for particulate matter by over 70 percent by 2010.

31
32 Our bill will also greatly reduce ozone pollution. It will cut
33 nitrogen oxide from 5 million tons today to 1.7 million tons in
34 2015. Today there are 126 areas in our Nation that exceed EPA's

1 health standards for ozone. With these reductions, 10 years from
2 now, that number will be 11.

3
4 Unfortunately, we are not here to talk about what we can and
5 should do today. Instead, we are talking about whether or not we
6 should be doing something 10 years from now. And I want to
7 commend EPA for realizing that more needs to be done to
8 adequately protect public health. I would implore you to
9 carefully consider whether the changes you have proposed achieve
10 that goal in a timely manner.

11
12 Thank you.

13
14 [The prepared statement of Senator Carper follows:]

15
16 Senator Voinovich. Thank you, Senator Carper.

17
18 Senator Bond.

19
20 OPENING STATEMENT OF HON. CHRISTOPHER S. BOND, U.S. SENATOR FROM
21 THE STATE OF MISSOURI

22
23 Senator Bond. Thank you very much, Mr. Chairman. I appreciate
24 your holding this hearing today on the proposed revisions to the
25 particulate matter air quality standards. As the Chairman has
26 pointed out, our air is dramatically cleaner than it was 35 years
27 ago. There is 50 percent less air pollution of the six major air
28 pollutants together, including smog, soot and acid rain.

29
30 These pollution reductions come over the same time as the
31 Chairman has pointed out that population increased by 42 percent,
32 energy consumption by 48 percent, vehicle miles traveled by 178
33 percent and the economy grew by almost 200 percent. The
34 President's legislation to cut smog, soot and mercury pollution

1 from power plants by a further 70 percent was blocked by this
2 Committee. If we are serious about it, we ought to be adopting
3 the Clear Skies proposal.

4
5 But EPA is moving forward with regulations to cut power plant air
6 pollution by those amounts in the eastern part of the Country.
7 EPA has also implemented massive new pollution reductions
8 requiring cleaner motor fuels and engines. Even now, States and
9 regions are busy putting together plans to meet EPA's last round
10 of pollution reduction requirements, which makes you wonder why
11 PEA is back again with proposals for further reductions, when the
12 current ones haven't even had a chance to be implemented. And we
13 have already been taking stringent measures to clean the air up
14 even more.

15
16 As one who suffers from asthma, I can tell you that it is not the
17 air that is the problem that I had, it is the food. And there
18 are food-borne allergies that are my problem. It is not the air.
19 So when you blame all of asthma on air, I don't think that you
20 are covering the universe.

21
22 But for me, the important problem is that States are in a
23 terrible crack. They strongly support, as I do, efforts to
24 improve air quality and protect public health. My home State of
25 Missouri and several other States, as you noted, Mr. Chairman,
26 are terribly afraid of the pain that additional tightening of the
27 standards will cause.

28
29 You will be introducing, I gather, a letter from Governors from
30 my State and your State of Ohio in which they say that
31 non-attainment designation will carry serious consequences that
32 impact economic growth, jobs, mobility, energy prices, consumer
33 choices and quality of life. They say, with this in mind, we
34 urge you to proceed with extreme caution, extreme caution, as you

1 consider whether to change the particulate matter standard. The
2 final decision should be based on sound science and should
3 appropriately balance scientific uncertainty with the joint
4 benefit of people's health and livelihood.

5
6 These Governors are responsible for the environmental health and
7 the economic health and well-being of their people. They say
8 don't go so fast. We are making the environmental changes, but
9 we need to take a look at the economic burdens that these are
10 putting on these counties and the people who live in them and
11 depend upon good jobs to get the healthy diets they need to deal
12 with the many health problems that come from inadequate economic
13 opportunities for them.

14
15 The proposals and suggestions to go farther than we are right now
16 will carry serious negative consequences for families and
17 workers, harming jobs, mobility, energy prices, consumer choices
18 and the quality of life. And if these new standards are more
19 strict, they will be asked to write new plans to impose this pain
20 before they are even finished with implementation of their latest
21 plans. They also won't have a chance for their plans to account
22 for the benefits coming from EPA's recent pollution reduction
23 requirements. Doesn't it make sense to find out how far these
24 new changes go, how much better the air gets?

25
26 The Governors recognize the serious disconnect between Washington
27 and the real world. Shortly we will get to see the head of the
28 EPA's air program throw up his hands and say, it is not his
29 fault, statute is making you do it. I understand that.

30 Supporters of EPA's proposal correctly point out that a statute
31 written 35 years ago and last amended 15 years ago requires this
32 calamity. They point out and the Supreme Court agrees that the
33 precise words of the statute require a review of the current
34 standards, and that the pain and harm focused upon families and

1 workers may not be considered.

2
3 The number of breadwinners losing their jobs may not be tallied.
4 The number of struggling folks without transportation solutions
5 to good paying jobs may not be tabulated. It is ironic to hear
6 these arguments. They are happy to find a friend in Justice
7 Scalia and his plain meaning of the statute approach. But how
8 quickly they forget when nowhere in the Clean Air Act can they
9 find the words ``carbon dioxide.'' Or how quickly they walk away
10 from the plain meaning of statutes when we consider, say,
11 navigable waters of the United States, to limit wetlands
12 jurisdiction. Oh, no. Those words don't mean what they say, we
13 will hear in a few weeks.

14
15 No complaints, either, when the Superfund law, intended to
16 regulate and clean up industrial waste, is newly applied to
17 farmers and livestock operations, a use never intended by
18 Congress. Luckily, as we will see next week, there is plenty of
19 health analysis to conclude, as EPA did, that the current annual
20 soot standards of 15 micrograms per cubic meter is more than
21 enough, more than enough to provide an adequate margin of safety
22 requisite to protect human health.

23
24 I would urge EPA to heed the advice of the States and proceed
25 with extreme caution as you consider whether to change the
26 particulate matter standard. In the interim, I am glad, Mr.
27 Chairman, we are exercising our appropriate oversight function.
28 We have a duty to inform ourselves of what is at stake, who will
29 bear the burden, how heavy that burden will be, who will be
30 harmed and who will lose. As we will see from the witnesses
31 today, many will be unfairly captured and many will be
32 unnecessarily harmed by this proposal, or suggestions to go even
33 further.

1 Thank you, Mr. Chairman.

2

3 [The prepared statement of Senator Bond follows:]

4

5 Senator Voinovich. Thank you, Senator Bond.

6

7 Senator Lautenberg, thank you for being here.

8

9 OPENING STATEMENT OF HON. FRANK R. LAUTENBERG, U.S. SENATOR FROM
10 THE STATE OF NEW JERSEY

11

12 Senator Lautenberg. Thanks very much, Mr. Chairman.

13

14 I am kind of pleased to be here and see us considering this
15 subject. Because we have contrasting views, obviously, here.
16 And members of the Committee know that I feel rather strongly
17 about protecting air quality. And I hear the appropriate concern
18 of my colleagues, for whom I have respect, even though I have
19 differences, about the loss of jobs and the burden placed on
20 industry to meet lower standards for, drop the bar for
21 particulate standards.

22

23 Before I came to the Senate, my career included founding a
24 business that now employs 44,000 employees in 26 countries,
25 still headquartered in New Jersey. The company is called ADP, it
26 is considered as one of the best companies in the Country, with
27 its financial condition. I say that not to brag, though I am
28 happy about it. And the fact is that I have some significant
29 experience in job creation and understanding business. And I
30 don't concede anything when it comes to understanding the
31 business side of the equation.

32

33 One of my children has asthma, and he is one of 6 million kids
34 who are living with this disease. It is painful to see him

1 stricken with an attack, reaching for the next breath. I
2 consider it my responsibility to help him, to help Alexander and
3 other children across this Country to breathe easier. I think
4 that is part of my responsibility here. And the quality of our
5 air affects the lives of those 6 million children every single
6 day.

7
8 We heard confirmation of this from Senator Bond, about what the
9 limitations that asthma brings, though he ascribes a different
10 source than particulates as the responsibility for his asthma.
11 But during the summer time, when most children are enjoying their
12 vacation, playing outside, children with asthma often have to
13 stay indoors. And the reason that they have to stay indoors is
14 that the air is just too dangerous for them to breathe. And as a
15 matter of fact, when I listen to the debate, I come up with that
16 maybe we ought to send out a slogan that says, look, kids, you
17 have to understand this, here is what you should do. Breathe
18 harder, cough more, die younger but stay indoors.

19
20 I don't think that is a good message. Ask the families who are
21 related to those children who are stricken with asthma. And ask
22 them what is the cost worth to keep their child alive or
23 functioning as other children do. And I am not suggesting there
24 are hard hearts on the other side. I am saying that in the
25 evaluation that we are making here that we have to decide whether
26 or not the costs that will be increased perhaps by trying to
27 conform to lower standards for particulates will be more than
28 offset by the savings that we have in the future because of their
29 reduced cost of health care.

30
31 According to a study from the Harvard School of Public Health, as
32 many as 4 percent of premature deaths in the United States can be
33 attributed to air pollution, the number that we get is over
34 40,000. That is an EPA number. And particulate matter is the

1 deadliest kind of air pollution. The American Lung Association
2 says that even low levels of particulate matter can lead to
3 premature death.

4
5 Some of the deadliest particulate matter is also the smallest,
6 almost invisible, as tiny as a 30th in width of a human hair.
7 The study cited by the Lung Association revealed that the risk of
8 mortality increases by 17 percent in areas with high
9 concentration of these small particles, places like Los Angeles,
10 Cleveland, Pittsburgh and my home State of New Jersey. High
11 levels of particulate matter can not only kill, they can cause
12 all the discomfort that asthma and respiratory disease inflicts.

13
14 There are more than 2,000 peer reviewed studies linking
15 particulate particle pollution to illness, hospitalization and
16 premature death. So if anybody doubts the need to protect our
17 families from particulate matter in the air, they simply aren't
18 paying attention. Now, I am concerned that EPA's proposed
19 revised standards for particulates may simply not be sufficient
20 to protect the public. The Clean Air Act is one of our most
21 important and successful environment and public health needs. I
22 strongly oppose any effort to weaken or undermine the Act and the
23 health protection that it provides for hundreds of millions of
24 Americans.

25
26 And when we banned smoking in airplanes, that created a public
27 revolution against tobacco. And I was assailed by people in the
28 restaurant business and other business where people gathered in
29 groups and saying, well, you know what is going to happen to our
30 business, what is going to happen? There is no shortage of
31 restaurants, there is no shortage of public gathering places.
32 And life is better without the smoke that was created that we all
33 ingest.

1 So it can be here also. I hope that we will adhere to the
2 response from the Court as diligently as we can and reduce this
3 cancer that pervades our society. Thanks, Mr. Chairman.

4
5 [The prepared statement of Senator Lautenberg follows:]

6
7 Senator Voinovich. Thank you, Senator Lautenberg.

8
9 Senator DeMint.

10
11 OPENING STATEMENT OF HON. JIM DEMINT, U.S. SENATOR FROM THE STATE
12 OF SOUTH CAROLINA

13
14 Senator DeMint. Thank you, Mr. Chairman, and thank you, Mr.
15 Wehrum, for being here.

16
17 I will be brief, Mr. Chairman. I really just want to relate to
18 our comments, particularly. South Carolina is another State like
19 Ohio that has had a difficult economic transition. We are trying
20 to replace the textile industry, rebuild our economy. We have
21 lost a lot of manufacturing jobs as well.

22
23 I would just like to remind you, all of us, that quality of life
24 is certainly related to people having jobs. When breadwinners
25 lose their jobs, as my colleague has reminded me today, the
26 ability to sustain your health and a good diet, a lot of things
27 affect health, in addition to the air quality. We need to make
28 sure that what we do here promotes a good quality of life. All
29 of us support cleaner and cleaner air, everything we can do.

30
31 But if I can just share what is happening in South Carolina, I
32 think as you know, sir, that part of our State is designated
33 unclassifiable because the data is not yet there to say one way
34 or another. And we are working very hard as a State and as a

1 number of communities to do everything we can to clean up our
2 air. We know some of it is coming from outside the area that we
3 can't control. Some of it is naturally occurring. Some of it
4 comes from Federal highways that come through our area, which we
5 have little control of.

6
7 But we are trying to do those things we can control. And we
8 would just ask that the EPA focus its resources on helping us
9 clean up our air, helping us find those sources of pollution and
10 helping us organize to do everything we can to provide cleaner
11 air. The mere act of continuing to create stricter and stricter
12 standards does not necessarily improve our air quality. What it
13 does is reduce our quality of life. It has already diminished
14 our job building capability because this unclassifiable standard
15 has run off new business prospects.

16
17 So I just appeal to you before you look at reducing or continuing
18 to make the standards stricter, moving the goal post, create a
19 culture in your agency to do what all of us want to do, and that
20 is have cleaner air and a healthier environment for people to
21 live in. But just lowering the standards again is not going to
22 do that if we have not taken the basic steps of finding out where
23 the pollution is, what we can do to clean it up, and to put
24 together those plans to make that happen.

25
26 We all want the same thing. But I just don't think you are
27 serving the public interest or the public health by just creating
28 a standard that is going to be harder to attain when we haven't
29 figured out how to do everything we can to attain the one we
30 already have.

31
32 Mr. Chairman, I yield back.

33
34 [The prepared statement of Senator DeMint follows:]

1 Senator Voinovich. Thank you.

2

3 Senator Isakson.

4

5 OPENING STATEMENT OF HON. JOHNNY ISAKSON, U.S. SENATOR FROM THE
6 STATE OF GEORGIA

7

8 Senator Isakson. Chairman Voinovich, I appreciate very much your
9 leadership in calling this hearing and Assistant Administrator
10 Wehrum, thank you for being here today and thank you for the
11 times you have come to my office.

12

13 I want to thank Senator Lautenberg for his analogy, because it
14 enables me to make a point that I was struggling with a good
15 example to make. I commend him and I share with him the pride
16 that I have on the restrictions on smoking that we have done that
17 have improved the health of millions and millions of Americans.
18 We need to understand, those restrictions attack the generator of
19 the smoke, the person that smokes the cigarette. We didn't
20 punish the victim of second-hand smoke.

21

22 We have a county commissioner from Georgia that is here today,
23 Bebe Heiskell, of Walker County, Georgia. Walker County is in
24 non-attainment in principal because of particulate matter and
25 ozone that flows to her county from other points of origin. So
26 we are punishing the victim of second-hand pollution, not the
27 originator of that pollution, which is why when we measure these
28 standards, we need to be careful about the impact and how they
29 may arbitrarily actually punish people who have no control over
30 the circumstances that they are in.

31

32 EPA has chosen to move the goalposts on States and communities
33 that are diligently working towards implementation plans for
34 current clean air standards. EPA has clear discretion not to

1 change the standard and can set it at any level. EPA has instead
2 chosen, in the face of evidence that shows the risk with
3 particulate matter has decreased since 1997, to propose a 24 hour
4 fine particulate standard that would add 530 counties, 67 of
5 which are in my State of Georgia, to the non-attainment list.
6

7 A non-attainment designation puts a stigma on the communities
8 that is almost impossible to come out from under. The
9 designation has resulted in current businesses closing up shop,
10 new businesses avoiding the area, and the impact on the tax base
11 has negative repercussions on the schools, the emergency services
12 and the community.
13

14 I look forward to your being here today and to your testimony.
15 And I appreciate, as I said in my earlier remarks, your attention
16 to Walker County and the attempts we have tried to make to bring
17 about some reason in that judgment. I am particularly glad that
18 Commissioner Heiskell is here today. This is an example of a
19 county who, proactively under her leadership, entered into an
20 early action compact to do everything they could do to remediate
21 the circumstances they are the victim of, yet still were put in
22 the non-attainment category, even though they voluntarily were
23 making efforts to control something, some of which was not within
24 their control.
25

26 Mr. Chairman, I again commend you on calling this hearing today
27 and I look forward to hearing from the Assistant Administrator
28 and from all those who have come from around the Country to
29 testify.
30

31 [The prepared statement of Senator Isakson follows:]
32

33 Senator Voinovich. Thank you, Senator.
34

1 Mr. Wehrum, we are very happy to have you here today. I would
2 like to for the record mention that I think it is very
3 unacceptable that there is a hold on your nomination and that you
4 haven't been confirmed yet. Because I think you are highly
5 qualified and we may have differences of opinion, but I think you
6 are a very qualified individual who really cares about the job
7 that he is doing. I apologize for the fact that you haven't been
8 confirmed yet. Hopefully those holds will be taken off and you
9 can be confirmed.

10
11 Before you testify, I am going to introduce into the record
12 letters of testimony from 100 concerned public and business
13 officials and associations from both sides of the aisle,
14 including the Governors of Indiana, Alabama, Missouri, Georgia,
15 Wyoming, Mississippi, Ohio and South Carolina, State
16 representatives, county commissioners and mayors from Ohio and
17 across the United States, Ohio Manufacturers Association,
18 American Road and Transportation Builders Association and many
19 others that are very concerned about the proposed new rule.

20
21 [The referenced information follows:]

22
23 Senator Voinovich. Mr. Wehrum, you are familiar with this
24 Committee. And if you would limit your testimony to five
25 minutes, and of course, your entire testimony is part of the
26 record.

27
28 STATEMENT OF WILLIAM WEHRUM, ACTING ASSISTANT ADMINISTRATOR,
29 OFFICE OF AIR AND RADIATION, U.S. ENVIRONMENTAL PROTECTION AGENCY

30
31 Mr. Wehrum. Thank you, Mr. Chairman. I appreciate the
32 opportunity to be here. And thank you, members of the Committee.

33
34 I am pleased to be here today to discuss the proposed revision to

1 EPA's National Air Quality Standards for Particulate Matter. The
2 President has challenged our Administrator to accelerate the pace
3 of environmental protection while maintaining our Nation's
4 economic competitiveness. This proposed rule is a key part of
5 our efforts to satisfy this mandate.

6
7 EPA sets national standards, which we call NAAQS, for particles
8 and five other pollutants commonly found across the Country.
9 Together, the NAAQS serve as the foundation for the majority of
10 our air quality programs, programs that have helped make
11 America's air cleaner over the past 35 years, even as our
12 population and economy have grown.

13
14 The Clean Air Act requires EPA to review the standards every five
15 years and revise them as necessary. We are nearing the end of
16 our latest review of the NAAQS for particulate matter. Under a
17 consent decree, we must issue a final decision on the PM
18 standards by September 27th of this year. EPA has proposed
19 standards for two categories of particles. The first, what we
20 call fine particles, or PM 2.5, includes particles that are 2.5
21 microns in diameter or smaller. As Senator Lautenberg pointed
22 out, these are particles so small you typically can't even see
23 them in visible air. Scientific studies have linked exposure to
24 fine particles to a wide array of significant health effects,
25 ranging from asthma attacks to premature death.

26
27 The second category, called inhalable coarse particles, includes
28 particles larger than 2.5 microns and up to 10 microns in size.
29 These particles have been associated with increased hospital
30 admissions for respiratory symptoms and heart disease, among
31 other effects.

32
33 Our proposal would revise the 24 hour standard for fine particles
34 to 35 micrograms per cubic meter of air, a significant

1 strengthening over the current level of 65. EPA Administrator
2 Johnson based this proposal on the large amount of research since
3 our last review that linked short-term fine particle exposure to
4 significant health effects.

5
6 As proposed, the annual standard would remain at its current
7 level of 15 micrograms. New studies increase our confidence in
8 the link between long-term exposure to fine particles and health
9 effects. While we believe these studies do not support a
10 standard higher than 15, we provisionally concluded that these
11 same studies do not provide a clear basis for making the standard
12 tighter.

13
14 The proposal for addressing inhalable coarse particles is more
15 complex, in order to best reflect the available science on coarse
16 particles and health. For these particles, we have proposed a 24
17 hour standard which would be set at 70 micrograms. This standard
18 would apply where the coarse particle mix is dominated by
19 particles from high density traffic on paved roads, industry and
20 construction.

21
22 The proposed PM standards represent the Administrator's best
23 judgment at the time of proposal of the standards requisite to
24 protect public health with an adequate margin of safety, which is
25 his obligation and our obligation under the law. The
26 Administrator based that judgment on careful consideration of
27 available science, key studies and recommendations of scientific
28 advisors and staff. However, he recognizes that opinions differ
29 on the appropriate levels, so our proposal requested comment on a
30 range of alternatives.

31
32 Issuing a standard is just the first step toward improving air
33 quality across our Nation. The second step, meeting the
34 standards, is primarily the responsibility of States and local

1 governments with assistance and guidance from EPA. We understand
2 that a number of States are concerned about facing a new round of
3 non-attainment designations, and Senator Isakson and Senator
4 DeMint, you emphasized those concerns in your testimony. We are
5 already working to ensure a smooth transition to any revised
6 standards, so State pollution control efforts remain as effective
7 and cost effective as possible.

8
9 Shortly after we proposed the revised standards last December,
10 EPA began making plans for implementing potential revisions. As
11 a first step, we issued a notice that sought comment on a number
12 of issues related to transition. The notice also alerted States
13 of the probable planning and compliance time line. Meeting the
14 revised PM standards will require a combination of national,
15 regional and local emissions controls. EPA already has issued a
16 number of regulations that will help reduce fine particle
17 pollution, including national rules reducing emissions from
18 gasoline and diesel engines and a regional rule controlling
19 emissions from electricity generation.

20
21 The President's Clear Skies proposal would make these regional
22 reductions apply nationwide. These existing rules will help
23 States make significant progress toward meeting the current PM
24 standards. Those States needing additional reductions are
25 assessing the nature of the non-attainment problems and are
26 evaluating a range of local emission reduction strategies.

27
28 The steps States take now to meet the standards now in place also
29 would help to meet any revised standards we issue in September.
30 EPA is committed to working closely with the States as they work
31 to meet current standards and any future standards, so we can
32 continue America's progress toward clean, healthy air.

33
34 Again, thank you for the opportunity to be here, and I am happy

1 to answer any questions you may have.

2
3 [The prepared statement of Mr. Wehrum follows:]

4
5 Senator Voinovich. Thank you, Mr. Wehrum.

6
7 Mr. Wehrum, in my request, and I appreciate you have been working
8 with the State of Ohio and others to see what can be done to
9 bring Cleveland, Ohio, into attainment with ozone standards by
10 the required date of 2010, I understand this is a very
11 complicated and resource-intensive process. What then would be
12 the impact on States and localities if you moved the goalpost on
13 them in the middle of the process? In other words, people are
14 right now putting their State implementation plans and trying to
15 figure out, how do we get this done. You come out with a new
16 rule. How are they going to handle that?

17
18 Mr. Wehrum. Mr. Chairman, that is a very important question, one
19 that we are focused closely on, and I know one that you and folks
20 in your State and other States are focused on. As you know, when
21 we proposed the revision to the PM standards, at the same time we
22 issued what we call an advanced notice of proposed rulemaking to
23 talk about implementation issues. Our goal, if we choose to
24 change the standards, is to do it in the most thoughtful way we
25 possibly can. We realize there is an enormous challenge in place
26 right now for many areas to meet the standards that we have in
27 place. And if we make the standards more stringent, it makes the
28 challenge that much harder.

29
30 We are well aware of that, and we are going to work very hard to
31 adopt the smartest, cleanest, most thoughtful implementation
32 approach we can that dovetails the work that people are doing now
33 to meet the current standards with what may additionally be
34 needed to meet new standards if we choose to set them.

1 Senator Voinovich. We have discussed at length, EPA carefully
2 established the Clean Air Interstate Rule to reduce power plant
3 emissions without causing undue economic and energy costs. We
4 worked very, very hard with that rule, and of course, basically
5 it captures, for the most part, what we were going to do with
6 Clear Skies.

7
8 If you designate more numerous areas in non-attainment under this
9 new standard, is your intention to amend CAIR or create some kind
10 of a new regime?

11
12 Mr. Wehrum. Mr. Chairman, if the Administrator chooses to revise
13 the standards and make them more stringent, that will create an
14 obligation on the States and ultimately EPA, if the States don't
15 step up, to do an analysis of whether upwind sources, well, first
16 of all, whether sources within their jurisdiction are
17 significantly contributing to non-attainment in downwind States.
18 And downwind States have an opportunity to do the same assessment
19 and seek relief from EPA.

20
21 So the short answer is, the law requires the question to be
22 asked, and ultimately, whether any change to the regional control
23 strategies we have in place right now would be warranted or
24 appropriate will depend on the facts and circumstances that are
25 available at the time.

26
27 Senator Voinovich. Am I correct in assuming that you cannot
28 consider cost benefit?

29
30 Mr. Wehrum. That is correct, Mr. Chairman.

31
32 Senator Voinovich. We are going to be having another hearing and
33 I will be submitting a question to you. I am really interested
34 to know, following up on Senator Lautenberg's statement, number

1 one, with the new particulate matter that we already have set,
2 what impact is that having in terms of public health; and second
3 of all, if a new rule came into effect, what would be the
4 incremental benefit of that rule in terms of public health, in
5 terms of some of the things that we have all talked about. I
6 think it is something that we should know, and certainly we
7 should be concerned about.

8
9 The other issue that we might as well get into, if we are going
10 to talk about asthma, I would really like to have some
11 authoritative statement about the issue of asthma. Because we
12 have seen an increase in asthma, and I would like to know what it
13 is that you folks think has caused the increase in asthma. I
14 remember testifying way back when I was Governor about the whole
15 issue of asthma and what caused it. There were some real
16 differences of opinion about whether it was the ambient air or
17 whether it was the physical condition that existed in homes.

18
19 There were some that argued that mites and other things within
20 the premises where people live had a lot more impact on their
21 asthma situation than the air situation. And there were others
22 that argued that it would be cheaper to buy everyone an air
23 conditioner than it would be to put in new things that would
24 clean up the air in terms of really making an impact. I think
25 Senator Isakson made a real good point when he talked about the
26 cigarettes, you dealt with the person that was causing it, you
27 didn't penalize the rest of the folks.

28
29 So these considerations are really important to us. And I
30 wouldn't want anyone to think that I am not sensitive to the
31 health care needs and to the costs that are involved. But I do
32 believe that we have to use common sense, and we also have to
33 understand that some of these folks aren't going to be able to
34 even reach the current standard.

1 Senator Carper.

2

3 Senator Carper. Thanks, Mr. Chairman.

4

5 Let me start again by thanking you for your testimony and for
6 your staying with us to respond to some questions. I just want
7 to confirm with you if I could that it is the conclusion of the
8 Environmental Protection Agency that the fine particulate matter
9 standards need to be strengthened to better protect public
10 health. Is that correct?

11

12 Mr. Wehrum. Senator, as you know, we have proposed changes to the
13 current suite of particulate matter standards. We have not yet
14 gotten to the point where final decisions have been made and the
15 final action has been signed and published. So we are in the
16 delivery process still. Our proposal reflected a tentative
17 assessment based on a review of the science and other relevant
18 factors that were available to us at the time of proposal.

19

20 We of course have had a lengthy public comment period and
21 opportunity for public hearings, and right now we are in the
22 process of reviewing the information that we received in the
23 public comments.

24

25 Senator Carper. Okay, that is fine. Thanks very much.

26

27 Mr. Wehrum. Sure.

28

29 Senator Carper. I want to better understand this Clean Air
30 Scientific Advisory Committee, who they are. Talk to us for a
31 very short while, tell us about this committee. Who are these
32 folks? What have they done in terms of their deliberations to
33 allow them to make their recommendations?

34

1 Mr. Wehrum. Sure, Senator. Clean Air Science Advisory Committee,
2 what we call CASAC, is a scientific advisory group that is
3 required to be created under the Clean Air Act. Its specific
4 purpose is to advise the Administrator on the science associated
5 with the criteria of pollutants and to make recommendations with
6 regard to the science, and on the policy associated with applying
7 that science.

8
9 Senator Carper. Is it a big group? Is it a little group? Are
10 they scientists? Who are these folks?

11
12 Mr. Wehrum. The law requires, it actually specifies the number of
13 folks that have to be on CASAC, and it specifies the type of
14 folks that have to be on CASAC.

15
16 Senator Carper. Share with us just a little bit of that, real
17 quickly.

18
19 Mr. Wehrum. There has to be someone representing States, there
20 has to be someone with toxicological experience and
21 epidemiological experience, a medical doctor. So the idea behind
22 the statute and the way in which we use CASAC is to convene a
23 body of experts with diverse experience in air quality issues,
24 but a group of experts who can look at the science and understand
25 the science and the policy implications and give us advice.

26
27 Senator Carper. The recommendations that they have made for
28 revising the standards, the 24 hour standard and the annual
29 standard, give us some idea, is this something that they decided
30 to do quickly? Did they do a fair amount of deliberation?

31
32 Mr. Wehrum. CASAC is involved through many aspects of our rule
33 development process. When we set standards, we think about
34 changing standards, it is a much more involved process than the

1 typical rulemaking we might do for other reasons in the Clean Air
2 Act, like setting emissions standards. It starts with a detailed
3 assessment of the science and development of what is called a
4 criteria document that is intended to be summation of all the
5 relevant science. And that work is actually done by our Office
6 of Research and Development, not my own.

7
8 CASAC is involved in the reviewing of the draft criteria
9 document, provides comments and their own assessment of whether
10 the right science has been identified and whether the science is
11 being interpreted in an appropriate way. Once the criteria
12 document has been developed, then that is translated into a set
13 of policy recommendations, typically through what is called a
14 staff paper, which is prepared by folks in my office. And CASAC
15 is involved in reviewing drafts of the staff paper and giving
16 their recommendations as to whether the science and other related
17 information is being applied properly.

18
19 Senator Carper. Thanks. And again briefly, who appoints the
20 folks to CASAC?

21
22 Mr. Wehrum. I am sorry, Senator?

23
24 Senator Carper. Who appoints the members to CASAC?

25
26 Mr. Wehrum. The Administrator.

27
28 Senator Carper. Okay. Now, I understand according to the Clean
29 Air Scientific Advisory Committee, recommendations concerning the
30 proposed national ambient air quality standards for particulate
31 matter, it was again recommended that EPA revise the annual
32 particulate matter standard from, I think it is 15 micrograms per
33 cubic meter down to a range of anywhere from 13 to 14. However,
34 EPA chose not to take the advice of the committee that you have

1 just graciously described for us.

2
3 Can you explain the rationale behind ignoring the committee's
4 advice on this point? I know you have made some changes with
5 respect to the 24 hour standard. But can you just explain the
6 rationale behind ignoring the advice of the commission, those
7 charged with making these recommendations, based on what appears
8 to be their extensive knowledge of the science?

9
10 Mr. Wehrum. Yes, Senator. It is important to point out that the
11 law does not require the Administrator to take the advice of
12 CASAC. In fact, the law anticipates the Administrator may choose
13 to do something different than what CASAC recommends, and puts an
14 obligation on the Administrator to explain if he takes final
15 action that is different than what CASAC recommends, to provide
16 an explanation as to why that is the case.

17
18 The body of science available on particulate matter is enormous.
19 That is a great virtue at this point in time. When the standards
20 were set back in 1997, there was a relative dearth of
21 information, and that made it particularly challenging to decide
22 whether to set a standard and where to set the standards. A
23 tremendous amount of research has been done from 1997 to the
24 current day, which is a great benefit to us. But it in and of
25 itself presents a challenge, because it requires very
26 knowledgeable people to look at the science and think about it in
27 a very complex way and draw conclusions as to what they think
28 that science suggests in terms of keeping the standard or
29 changing the standard.

30
31 We highly appreciate the input of CASAC. They are a very
32 important part of our process. We have great respect for the
33 people in CASAC and the advice that they give us.

1 But in this case, we disagreed with their recommendation as it
2 relates to the annual fine particle standard, and that is for the
3 reason simply that I stated in my testimony, which is we believe
4 that science does not suggest a loosening of the standard is
5 appropriate, but we also do not believe the science provides a
6 clear indication that the current annual standard for fine
7 particles needs to be adjusted downwards.

8
9 Senator Carper. All right, thanks. If I could, Mr. Chairman,
10 just a quick concluding statement. Mr. Wehrum, in your
11 testimony, you assert that somehow the passage of Clear Skies
12 would improve upon current Clean Air rules. However, according
13 to the analysis the EPA conducted last year that you were good
14 enough to present to us, that doesn't necessarily seem to be the
15 case. The analysis that you showed us shows that current law
16 will reduce the number of areas in non- attainment for
17 particulate matter from I think 39 to 21 by 2010.

18
19 Clear Skies' proposal, on the other hand, would reduce the number
20 of areas in 2010 from 39 to 20. And while I agree we need to
21 pass legislation and establish a national program, we also need
22 to pass legislation to actually address the Nation's clean air
23 problems. According to what I believe to be your agency's own
24 analysis, I would just respectfully observe that Clear Skies just
25 doesn't get that job done.

26
27 But again, thank you for being here this morning. And thank you
28 for letting me run a minute or two long.

29
30 Senator Voinovich. Thank you, Senator Carper.

31
32 Senator DeMint.

33
34 Senator DeMint. Thank you, Mr. Chairman, and Mr. Wehrum, thank

1 you again for being here and your testimony.

2
3 Just a couple of questions. Is it true that the air in this
4 Country is cleaner now than it was a decade or two ago?

5
6 Mr. Wehrum. Yes, Senator, that is true.

7
8 Senator DeMint. But it is also true the incidence of asthma has
9 increased as the air has gotten cleaner.

10
11 Mr. Wehrum. That is my understanding, Senator.

12
13 Senator DeMint. So it is very difficult, I guess, then
14 statistically to suggest that the air quality is the cause of
15 asthma.

16
17 Mr. Wehrum. Senator, you as well as Chairman Voinovich have
18 raised a very complex question. Asthma is obviously a very
19 important issue. According to the information available to me,
20 the incidence of asthma appears to be increasing while air
21 quality undoubtedly has been increasing over the same period of
22 time.

23
24 What we do know is that there are a variety of triggers that at
25 least cause people to have asthma episodes and not all of them
26 are related to air quality. They can be related to other
27 factors, as Chairman Voinovich pointed out.

28
29 Senator DeMint. Clearly, it would be difficult to make the case
30 for tighter, stricter standards because of the rise in the
31 incidence of asthma, I would say.

32
33 Mr. Wehrum. Senator, the science of particulate matter does show
34 that there is an association between exposure to particulate

1 matter and an increase in a variety of respiratory ailments,
2 including asthma episodes. So my point is, asthma is a very
3 complex issue. I would be more than happy to provide a detailed
4 response on the record. But at the end of the day, there is an
5 association, Senator.

6
7 Senator DeMint. Let me ask another question related to science.
8 I think you have indicated in your testimony that there is no
9 scientific data that EPA has that would suggest you raise or
10 lower the standards?

11
12 Mr. Wehrum. It was the Administrator's judgment at the time of
13 proposal that at least for the annual fine particle standard that
14 the available science did not create a clear rationale for
15 adjusting the standard, or making the standard more stringent
16 than the current level of 15 micrograms.

17
18 Senator DeMint. And what could be the rationale to create a
19 stricter standard at this time?

20
21 Mr. Wehrum. Senator, as I explained a second ago, reasonable
22 minds can and do differ when they look at the science that we
23 have available and what that science would suggest as to where
24 the standard should be set. So we got any number of public
25 comments, including from public health groups, environmental
26 groups and the others who assess the science and suggested to the
27 Administrator that it would be more appropriate to conclude that
28 the science would support and in their view mandate an adjustment
29 to a lower level than we currently have.

30
31 So the sum of my answer is, there are people who are aware of the
32 science and are fairly knowledgeable in the field, and they have
33 made the recommendation to us through public comments that the
34 standard should be adjusted downward.

1 Senator DeMint. Adjusted downward. Just quickly, if you could
2 speak on, what is the role of the EPA, the strategy of the EPA to
3 actually identify those companies that are generating pollution
4 and what is the role of the EPA to actually help the communities
5 clean up? I know you can set a standard. But is it the mission
6 of the EPA to actually help clean the air?

7
8 Mr. Wehrum. Senator, I think we help in a couple of ways,
9 probably more than a couple. But on the one hand, there are
10 certain areas where we regulate that State and local
11 jurisdictions don't. We set vehicle standards for cars and
12 trucks and other types of mobile sources. They are nationally
13 applicable and result in substantial reductions in the emissions,
14 the kind of pollution we are talking about right now, and help
15 areas to attain the standards, if they are not currently
16 attaining.

17
18 The regional power plant control strategy we have been talking
19 about, CAIR, is another good example of that, where we adopted a
20 regulation in a circumstance where it wasn't within the authority
21 of State and local jurisdictions to do that. So the standards we
22 set help, and they help a lot in some areas. But almost
23 inevitably, when an area has bad air quality, it is a combination
24 of stuff outside the control, sometimes stuff blowing into the
25 area from upwind, and maybe cars and trucks which local
26 jurisdictions tend not to regulate, a combination of those sorts
27 of things, which we try to deal with.

28
29 And then local sources, local industry and other types of
30 emitters. In that case, the law puts primary responsibility on
31 the State and local jurisdiction to identify those sources and
32 devise the control strategies that are necessary to get the
33 reductions that are needed. Even in that circumstance, though,
34 we try very hard to provide assistance. We know a lot about

1 emissions, we know a lot about where they come from, how they can
2 reasonably be controlled, and we try to make that information
3 readily available and provide assistance to State and local
4 jurisdictions.

5
6 Senator DeMint. Thank you.

7
8 Mr. Chairman, I yield back.

9
10 Senator Voinovich. Thank you, Senator DeMint.

11
12 Senator Lautenberg?

13
14 Senator Lautenberg. Thanks again, Mr. Chairman, for giving us a
15 chance to air this problem.

16
17 Mr. Wehrum, did EPA consider costs when it selected the health
18 standards for particulates that it proposed?

19
20 Mr. Wehrum. No, Senator.

21
22 Senator Lautenberg. You said different people disagree with
23 whether or not it is essential that the standard for particulate
24 matter be reduced. How do you feel about it? What is your view?

25
26 Mr. Wehrum. Senator, my honest answer is, we are in a
27 deliberative part of our process right now. What we have said
28 from the start is we felt like we owed the public and other
29 interested folks an answer as to what our tentative view was at
30 the time of the proposal.

31
32 Senator Lautenberg. So you are saying there isn't enough evidence
33 to this point that you see that says, hey, we ought to get on
34 with reducing this, we could do some good for the health of the

1 people who live in our Country? You are not satisfied that we
2 are at that point now?

3
4 Mr. Wehrum. Senator, I guess what I am trying to say is, at the
5 time of the proposal, we provided the clearest indication we
6 could as to what our tentative judgment would be, given the
7 information we had available at the time of the proposal. But we
8 asked for comment on several alternative outcomes, more stringent
9 levels.

10
11 Senator Lautenberg. Thank you. Thanks, Mr. Wehrum.

12
13 In January of this year, the Federal Register, there is an EPA
14 report and it says, taking the above consideration into account,
15 the Administrator proposed to set the level of primary 24 hour PM
16 2.5 standard at 35 micrograms per cubic meter. In the
17 Administrator's judgment, based on the current available
18 evidence, a standard set at this level would protect public
19 health with an adequate margin of safety from serious health
20 defects, including premature mortality and hospital admissions
21 for cardiorespiratory causes that are causally associated with
22 short-term exposure to PM 2.5. This is a judgment by the
23 Administrator.

24
25 EPA issues a report that says, stronger standards mean fewer
26 deaths in nine cities study. Source, U.S. EPA particulate matter
27 health risks, assessment for selected urban areas, Appendix A.
28 PM data, this is June of 2005. They say that, with the current
29 standards, the number of deaths from PM 2.5 in nine U.S. cities,
30 4,700. I am rounding the number.

31
32 But CASAC, the committee of concerned scientists, most protective
33 recommendation would reduce that 4,729 down to 2,476. This is an
34 EPA report. EPA's most protective option and American Lung

1 Association recommendations go further, that could mean 86
2 percent fewer deaths. Down to 644 from 4,729. This EPA, I guess
3 they are a little funny over there.

4
5 Is that a conclusion that you support? The agency supports it?
6

7 Mr. Wehrum. Senator, I believe you are quoting information from a
8 risk assessment that was prepared by the agency as part of the
9 full suite of information that was developed to support the
10 proposal that was made at the end of last year. And the purpose
11 of the risk assessment is to attempt to identify what sort of
12 public health benefit could be achieved by adjusting the standard
13 to various levels.

14
15 Senator Lautenberg. Well, they said it could be substantially
16 reduced. Do you agree that these numbers are what they are? I
17 mean, it is printed here.

18
19 Mr. Wehrum. Senator, the risk assessment has to be viewed in
20 conjunction with the other available information. And most
21 importantly, the evidence of health effect at various levels,
22 which is primarily provided by epidemiological studies and
23 supported

24
25 Senator Lautenberg. The agency may be satisfied or may conclude
26 that this information is reliable, but you, I understand you are
27 not certain of it. And I appreciate your view.

28
29 To my colleagues, I don't understand one thing. When it was said
30 that the victim is being punished, the victim being a particular
31 county in the State of Georgia, as I understood it, and why are
32 they being punished if those who emit those particulate matters,
33 whether it comes from trucks or power plants or otherwise, those
34 are the ones that we are asking to reduce the amount of material

1 that is sent out there. Why does that punish__you don't have to
2 answer this, Senator, it is just an observation of mine__but why
3 does that punish the victim?
4

5 Finally, I think that there are times in life, in the life of a
6 Country like ours when conditions change and we become more aware
7 of the things that we are doing, smoking, for instance. Smoking
8 kills over 400,000 people a year prematurely. And when people
9 realized the danger, it took to people hiding in corners because
10 they were ashamed of their smoking habits. It took that kind of
11 exposure to bring about change.
12

13 I wrote that law in 1986. And it still has not, until now,
14 reduced the number of smokers, young people that start up. So it
15 takes a while.
16

17 But even as we expand our economy, expand the numbers in our
18 society, expand the number of miles driven, it say that we have
19 to do it in a better way. And when we talk about job loss, I
20 would like to see what the job loss to India has done to reduce
21 jobs in America or other cheap places for labor, and the kinds of
22 environmental standards they impose on those people who work in
23 those shops throughout the world.
24

25 That is to my very good friend, and one I have great respect for,
26 the Chairman of this Subcommittee, he is a fellow who knows a lot
27 of information, studies his subjects very carefully. But those
28 situations help reduce the number of jobs in America, certainly
29 reduce the wages. So we have all kinds of things that we are
30 working on. But the one that we control the most is what we can
31 do with EPA. I think we ought to get on with it, conscious of
32 the cost, conscious of the job loss that might be there, and try
33 to help replace those jobs and replace those facilities in some
34 way.

1 Senator Voinovich. Thank you, Senator.

2

3 Do you want to take the stand?

4

5 Senator Isakson. When great leaders like Senator Lautenberg
6 initiated smoking reduction laws, they reduced the places where
7 smokers could smoke, and they created better environments for
8 those who didn't smoke by restricting it. They didn't penalize
9 the people who were the victim of second- hand smoke.

10

11 Now, in specific answer to your question, and I just used your
12 analogy because I thought it was a good one, Commissioner
13 Heiskell here in Walker County, Georgia, is south of Chattanooga,
14 a city in another State, is near an interstate highway and is in
15 a part of the south that is under the Bermuda High that in the
16 summer causes the Smoky Mountains to be the Smoky Mountains,
17 because it traps particulate matter and other pollutants that end
18 up being generated lots of other places.

19

20 So my example was this. Commissioner Heiskell, under her
21 leadership, she is the sole county commissioner, voluntarily went
22 into an early action compact with the EPA and has generated
23 studies which we have submitted showing points of origin of
24 pollution that have nothing to do with Walker County, Georgia,
25 and in some cases nothing to do with the State of Georgia.

26

27 So my question was, and the administrator here has just said, I
28 believe, that in the end, this is in the judgment of the
29 Administrator, CRS has said that is in the judgment of the
30 Administrator, they have taken all of this data to determine this
31 is the standard they are going to recommend. It is an inflexibly
32 rigid process that in the case of the real example I just stated,
33 penalizes the victim of second-hand pollution, maybe not
34 second-hand smoke. So that was the reason for the analogy.

1 Reclaiming the rest of my time, I will use that as a preface to a
2 question. And I guess I will go back to something you just said
3 about cost. Again, Senator Lautenberg set me up for this, so I
4 will do it the best I can. He asked you if you considered cost
5 in making the determination and you said no. I would like to ask
6 your opinion. In your opinion, since cost wasn't considered, but
7 in your opinion, if these standards go into effect, will the cost
8 of energy in the United States of America increase?
9

10 Mr. Wehrum. Senator, if we have done that analysis, I am not
11 aware of that analysis.
12

13 Senator Isakson. I know you haven't, because you said you
14 haven't. But I was just wondering about your opinion.
15

16 Mr. Wehrum. Senator, that is a difficult question to answer
17 without doing the analysis. I would be more than happy to answer
18 on the record.
19

20 Senator Isakson. Well, the reason I ask the question is this. No
21 one in this room is for asthma or for a less than healthy
22 environment. No one in here is shilling for one side or another
23 in the economics of the matter. But I think it is important to
24 understand that economics didn't go into the consideration and
25 that there are economic impacts. I would suggest, and I think
26 you will hear when these people testify later, there are
27 significant economic impacts. Nobody wants the air to be
28 dirtier. Everybody is proud that we are cleaner than we were 10
29 years ago, and hope 10 years from now we will be cleaner than we
30 are today, which we will if we continue.
31

32 But if we stop considering all the contributing aspects of a
33 decision, and only focus it on a narrow part of the environment
34 or a narrow part of the question without all considerations, we

1 create the unintended consequences of having some awfully
2 detrimental things happen to people who have basically little if
3 any control over what they are doing. In this case, again,
4 Walker County.

5
6 And I am not shilling for the Commissioner. She can do a fine
7 job on her own. It just happens to be a circumstance that I
8 think Senator Voinovich mentioned in one of his examples. There
9 are areas of the Country where there are communities in that
10 trap. If it is in the judgment of the Administrator, hopefully
11 flexibility, given the broad census of information, can be used
12 to help communities be able to try and come out from under
13 non-attainment, especially when they are making every effort to
14 do everything they can within their control.

15
16 So I ended up not asking a question and making a speech, and I
17 apologize for that. But since I was asked, I thought I would try
18 and put it in perspective. I yield back, Mr. Chairman.

19
20 Senator Voinovich. Thank you, Senator Isakson.

21
22 Mr. Wehrum, thank you very much for being here. I have some
23 other questions that I am going to be submitting to you in
24 writing.

25
26 Senator Isakson. Mr. Chairman, I need to correct the record if I
27 can. I ask unanimous consent that in one of my references, I
28 named Walker County as Murray County. Can I correct the record
29 and make it be Walker County in all circumstances?

30
31 Senator Voinovich. The record is corrected. And also, Senator
32 Carper asked me to insert for him some information here from the
33 National Association of Manufacturers. And without objection,
34 that will be done.

1 Senator Lautenberg. Mr. Chairman, may I ask also that this chart
2 that was put out referencing.

3
4 Senator Voinovich. Without objection, so ordered.

5
6 [The referenced information follows:]

7
8 Senator Voinovich. Unfortunately, we have a vote. So I am going
9 to have to recess the hearing and scoot back here and we will
10 have our next group of witnesses. So I am going to recess the
11 hearing for the time being.

12
13 Thank you again, Bill.

14
15 Mr. Wehrum. Thank you, Mr. Chairman.

16
17 [Recess.]

18
19 Senator Voinovich. First of all, I want to thank you all very
20 much for being here. I have been in your position when I was a
21 Mayor and Governor, and it just seems like you wait around and
22 wait around and wait around, and then you have five minutes to
23 get your story out. And Ms. Heiskell, I am going to ask you to
24 come on third, because I ran into Senator Isakson, and I think he
25 would want to hear your testimony. I hope he is back by then, he
26 said he is coming back.

27
28 We will start out with Mr. Paul, and we welcome you. Mr. Paul is
29 from Dayton, Ohio. It is very interesting that we have two
30 witnesses from the great State of Ohio today. I have enjoyed
31 working with Mr. Paul on our DERA legislation. Hopefully we are
32 going to get a little bit more money for that, Mr. Paul, so that
33 we can do something about really making a difference in terms of
34 particulate matter, and that is dealing with these on and off

1 road trucks, so we can get them to put on some controls. So we
2 are glad to have you here today.

3
4 STATEMENT OF JOHN A. PAUL, SUPERVISOR, REGIONAL AIR POLLUTION
5 CONTROL AGENCY, DAYTON, OHIO

6
7 Mr. Paul. Thank you, Mr. Chairman. We certainly pledge to
8 continue to work with you on those efforts.

9
10 My name is John Paul and I am the Supervisor of the Regional Air
11 Pollution Control Agency, RAPCA, representing the health
12 departments of six counties centered in Dayton, Ohio. I also
13 serve as the President of ALAPCO, the Association of Local Air
14 Pollution Control Officials. And whereas I am appearing here
15 today on behalf of RAPCA, I will mention that my testimony is
16 endorsed by ALAPCO and our sister organization, STAPPA.

17
18 Particulate matter is not only one of the most serious air
19 pollution problems facing our Nation, but it is also one of our
20 Nation's most serious environmental problems. Since the standard
21 was last revised in 1997, there have been over 2,000 peer
22 reviewed scientific studies identifying significant health
23 effects of particulate matter.

24
25 In December of 2005, over 100 scientists and public health
26 professionals wrote to EPA citing the serious health effects of
27 fine particulate matter at levels well below the current
28 standards. These include, among other things, respiratory
29 problems, strokes, lung cancer and thousands of premature deaths.
30 EPA estimates that more than 4,700 people die prematurely each
31 year in just 9 cities at the current PM levels.

32
33 With these health effects in mind, it is essential that Congress
34 and EPA retain the current process for setting national ambient

1 air quality standards and resist attempts to inject costs into
2 the establishment of these health based standards. The public
3 deserves to know whether the air they breathe is safe. RAPCA's
4 staff reviewed EPA's proposal to revise the PM NAAQS and were
5 deeply troubled by several major aspects, including the level of
6 the PM 2.5 standard and the exemptions that EPA has proposed.

7
8 First, we are very concerned that EPA is ignoring the
9 recommendations of CASAC, to tighten the PM standard to below 15
10 micrograms per cubic meter. Second, we strongly oppose EPA's
11 proposed exemptions for major source categories, such as
12 agriculture and mining, from the coarse PM standard.
13 Consideration of exemptions should be done during the
14 implementation process when costs are factored, not during the
15 process of setting a national health base standard.

16
17 Third, we are very troubled that EPA is proposing to exempt major
18 portions of the Country, those with fewer than 100,000 people,
19 from monitoring for coarse particles. This action dismisses the
20 health and welfare of millions of people throughout the Country,
21 in some cases nearly an entire State.

22
23 Once EPA sets new standards, areas will have until 2015 to attain
24 the new fine particle standards, and until 2018 to attain the
25 coarse standard, with the possibility of extensions for five or
26 more years to 2020 and beyond. In the meantime, States and
27 localities are now in the process of developing SIPs to meet the
28 existing PM standard, established in 1997.

29
30 We believe there are several actions Congress and/or EPA can take
31 now to help us in this effort and also make progress toward
32 meeting the new standards. First and most importantly, we urge
33 the EPA to require further cost-effective reductions from the
34 electric utility sector, as well as from other promising sectors

1 for national regulations, starting with industrial boilers and
2 cement kilns. While EPA took a good first step in publishing its
3 Clean Air Interstate Rule, CAIR, it is deficient in several
4 aspects: the compliance deadlines are too long, the emission caps
5 are not sufficiently stringent, and it covers only utilities in
6 the east and ignores other large sources.

7
8 To the extent that a Federal rule like CAIR falls short of what
9 can be achieved in a cost-effective and timely manner, those lost
10 emissions reduction opportunities will have to be made up by some
11 other sector of the economy, generally a small business, for
12 which the costs are much higher.

13
14 Second, we need EPA to finalize its PM 2.5 implementation rule.
15 EPA has been working on this for several years.

16
17 Finally, Congress and EPA must ensure that State and local
18 agencies have adequate funding to do their jobs. This is
19 particularly important at a time when agencies are significantly
20 expanding their responsibilities, including developing PM 2.5
21 SIPs. Unfortunately, the Administration's fiscal year 2007 calls
22 for cuts in State and local agency grants of \$35 million below
23 last year's level. And we urge the Senate to fully restore these
24 cuts, and we appreciate your efforts, Chairman Voinovich, in this
25 regard.

26
27 Furthermore, we applaud you and your colleagues on the
28 Environment and Public Works Committee for your work on the
29 Diesel Emission Reduction Program. I thank you for this
30 opportunity to testify, and I will be happy to answer any
31 questions.

32
33 Thank you.
34

1 [The prepared statement of Mr. Paul follows:]

2
3 Senator Voinovich. Thank you, Mr. Paul.

4
5 Mr. Gould is the Chairman of the Lenawee County Board of
6 Commissioners. Thank you for being here.

7
8 STATEMENT OF LARRY J. GOULD, CHAIR, LENAWEЕ COUNTY BOARD OF
9 COMMISSIONERS, LENAWEЕ COUNTY, MICHIGAN

10
11 Mr. Gould. Thank you.

12
13 Mr. Chairman and members of the Subcommittee, my name is Larry
14 Gould. I am Chairperson of the Lenawee County Board of
15 Commissioners, and thank you for this opportunity to testify
16 today.

17
18 Lenawee County is largely a rural county located near a major
19 metropolitan industrial area. As a consequence, Lenawee County
20 has been designated by EPA as a marginal non-attainment county
21 for EPA's eight hour ozone standard. Fortunately, Lenawee is not
22 designated as a non-attainment, at least not yet

23
24 Senator Voinovich. Mr. Gould, would you do me a favor? I am
25 having a hard time hearing you. Could you pull your mic up a
26 little closer to your mouth?

27
28 Mr. Gould. I am very concerned that a revision of the PM 2.5
29 standard by EPA would result in Lenawee County being designated a
30 non-attainment for PM 2.5 for the same reason the county is
31 designated as a non-attainment for ozone. That is, Lenawee would
32 be included in a multi-county non-attainment area, whose air
33 quality is dominated largely by emissions from more healthy,
34 populated counties with more industry.

1 Even though it is not our fault, Lenawee will be forced to comply
2 with restrictions that are likely to impede our attempt to
3 attract new industry and expand our economic base. According to
4 the Michigan DEQ, three counties with particulate matter
5 materials currently show violations of the 24 hour standard
6 proposed by EPA. I am aware of estimates suggesting that even a
7 modest revision of both the 24 hour and the annual PM 2.5
8 standards could more than double the current number of
9 non-attainment counties in Michigan from 7 counties to 16
10 counties. Lenawee would be one of those non-attainment counties.
11

12 As a consequence, Lenawee, a rural county with a small
13 population, would be in non-attainment for both ozone and revised
14 PM 2.5 standards. This is not a prospect I look forward to as
15 the chairperson of the board of commissioners. Costs of
16 implementing and complying with air quality standards are borne
17 to some extent by State and local government. Those costs are
18 unfunded Federal mandates. For example, the Lenawee Board of
19 Road Commission informed me that highway funds made available to
20 Lenawee County through the Congestion Mitigation Air quality
21 funding to improve air quality appeared to be a drop in the
22 bucket compared to the funding that will be needed if EPA makes
23 the 1997 standards more stringent.
24

25 In addition, the Michigan Association of Counties informs me that
26 any revised particle matter standards which would impose
27 additional costs on counties would be impossible for them to
28 support unless Federal funding is increased. I believe that
29 imposition of a new non-attainment requirement would have a
30 negative impact on economic growth and development in Lenawee
31 County. Like most counties in Michigan, Lenawee continues to
32 struggle with the high unemployment and uncertain economy. The
33 Lenawee Chamber for Economic Development has written me recently
34 to express their concern about the negative impact to our local

1 economy if EPA revisits the PM 2.5 standard.

2
3 The Chamber points out the continual loss of manufacturing plants
4 in Lenawee. Most of those plants were old and relatively old
5 technology. If Lenawee is classified as a non- attainment
6 county, the Chamber feels that we will continue to lose jobs and
7 find it difficult to attract facilities with newer and better
8 environmental controls. In fact, the Chamber estimates that a
9 non-attainment designation could result in a potential loss of
10 over 1,000 current jobs.

11
12 A \$60 million ethanol plant is currently under construction in
13 the southeast part of our county. And a biodiesel blending
14 facility is planned for construction in Adrian, our county seat.
15 We plan to double the capacity of the ethanol plant some time in
16 the future. But I am very concerned that expansion may face
17 serious implications if Lenawee County is designated in
18 non-attainment for PM 2.5. Because if it becomes a blending
19 only, I am not hopeful but not confident that the biodiesel
20 facility will not encounter any problems.

21
22 In closing, I would urge Congress and the EPA to give State and
23 local government all the administrative and financial support
24 they need to implement the existing standards rather than change
25 the standards now. Thank you, Mr. Chairman and I am available
26 for questions.

27
28 [The prepared statement of Mr. Gould follows:]

29
30 Senator Voinovich. Thank you very much for being here today.

31
32 Senator Isakson, I delayed hearing the testimony from Ms.
33 Heiskell, because I figured you would want to hear her. So Ms.
34 Heiskell, you are on.

1 STATEMENT OF BEBE HEISKELL, COMMISSIONER, WALKER COUNTY, GEORGIA

2
3 Ms. Heiskell. Good morning, Chairman Voinovich, members of the
4 Committee. My name is Bebe Heiskell. I am the sole commissioner
5 of Walker County, Georgia.

6
7 We are located in the northwest corner of the State, just south
8 of Chattanooga. I am in my sixth year of elected office, with a
9 background of 27 years in public administration. Thank you for
10 allowing me to describe the impact that non-attainment
11 designations have on communities like mine.

12
13 Walker County is a vibrant community of 63,000 people. A variety
14 of national and international manufacturers have operations
15 there, and our corner of the State produces a vast majority of
16 the world's carpet. Forty-six percent of Walker County's work
17 force is employed in manufacturing.

18
19 The hardest part of my job is funding the delivery of services,
20 such as road maintenance and meeting payrolls. I am where the
21 rubber meets the road, face to face every day with the taxpayers
22 that support our governments. They recognize the property tax
23 relief that a strong local economy provides.

24
25 Quality growth is vital to Walker County, and other communities
26 all over this Country. From an economic development standpoint,
27 being in non-attainment PM 2.5 has serious consequences right
28 now. Many industries begin a site location search using EPA's
29 internet list of counties in non- attainment. Those counties
30 never make the list of prospect sites.

31
32 Walker County's non-attainment status is almost exclusively due
33 to outside forces on our air quality, including up to 60 percent
34 natural particulate matter, completely out of our control, that

1 comes from other continents. We are positioned between
2 Chattanooga and Atlanta, two major interstate highways and
3 several large manufacturing facilities and power plants in the
4 region.

5
6 During its foundry era, Chattanooga was one of the dirtiest
7 cities in the United States, with all the associated health
8 issues. Now it is one of the ten best places to live in the
9 entire Country. The businesses in my community have invested
10 millions to reduce their emissions. Cars are significantly
11 cleaner than they were even ten years ago. Power plants have
12 spent billions on controls, and the two large metropolitan areas
13 surrounding us have come into compliance with the one hour ozone
14 standard.

15
16 As a community leader and an asthmatic, I appreciate all the EPA
17 has done to see that we have cleaner air. Their own status
18 report, September 2004, boasts that the U.S. air is the cleanest
19 ever since 1970, even while the economy has expanded 150 percent
20 in that time period. American businesses should also be
21 commended for their accomplishments. Though our air quality is
22 improving, I see job losses that stem from perpetual
23 non-attainment. This adds to the complexity of local governance,
24 while we struggle with public opposition to these non-attainment
25 designations, and many of our jobs go overseas.

26
27 Walker County has more than 4 million square feet of vacant
28 manufacturing space in large measure because of uncertainty our
29 non-attainment designation creates for business prospects. Those
30 are jobs we cannot recover. The ultimate cost of EPA's efforts,
31 though, will be borne by American workers in local communities
32 who will shoulder the burden of increased unemployment and
33 significant increases in the basic cost of living.

1 Georgia's late Senator Paul Coverdale said, ``Investment does not
2 flow toward uncertainty.'` A never-ending non-attainment
3 designation creates uncertainty for communities and businesses.
4

5 I urge the Senate Committee to put EPA's standards in perspective
6 with the loss of jobs and decisions of manufacturers to go abroad
7 where there are no standards. The doubling of the global
8 workforce has created greater competition for each available job.
9 Retraining displaced workers that have lost their lifelong
10 manufacturing jobs is difficult. These people, the ones we
11 represent, are then concerned only about how they can take care
12 of their families.
13

14 Does EPA make decisions based upon the demands of outside
15 environmental groups, or is there a practical reason to continue
16 to lower this designation?
17

18 I ran for office on quality growth, and I am a long-time
19 supporter of the environment. However, there must be a balance
20 in all things. Please consider the significant air quality
21 improvements already in place against the impacts of unending
22 non-attainment designations before allowing EPA to stack another
23 set of regulations on businesses and communities like mine.
24

25 And I must add candidly that 50 percent of our economy in Walker
26 County is from agribusiness. A beekeeper told me last week that
27 for every three bites you put in your mouth, pollen is
28 responsible for two. And a high level of pollen in our monitors
29 indicates we are doing well.
30

31 Thank you for hearing my remarks.
32

33 [The prepared statement of Ms. Heiskell follows:]
34

1 Senator Voinovich. Thank you very much for being here.

2

3 Mr. Gould, I noticed you have, it looks like yellow corn there in
4 that bottle.

5

6 Mr. Gould. Yes, Senator.

7

8 Senator Voinovich. And I understand from your written testimony
9 that if the county is designated as non-attainment for revised
10 particulate matter, you think that may have an impact on your
11 ethanol project?

12

13 Mr. Gould. Yes, sir. I want you to know I had to take off my
14 shoes yesterday morning to get here when I entered two commercial
15 flights. This did not have any problems going through the two
16 commercial flights. And I have not had any problems. Let me
17 tell you, this is how safe this product is. This is what is
18 going to clean up our environment.

19

20 Yes, Great Lakes Ethanol, in choosing to set a site for an
21 ethanol plant in Lenawee County, visited a number of sites. Many
22 of the sites would have never, ever complied under the current
23 funding of the eight hour ozone. We knew that. We did have to
24 search out and get a more modern company, I mentioned it in my
25 testimony, about the technology of the older plants. In today's
26 society, they can't make it, we are losing jobs.

27

28 We feel that we are ready to expand. We don't need \$3 a gallon
29 of gas to produce this. This is much less than \$3. We will have
30 a problem if we have to have PM 2.5. That will create a little
31 bit of a problem for us, probably, in the repermitting to double
32 the expansion. We are currently at 57 million. We expect to go
33 to 100 million within another time.

34

1 You have to understand that when you passed the Energy Bill, you
2 allowed us the ability to get the bankers to come forward.
3 Without the bankers, we couldn't produce this. It was the Energy
4 Bill that made it possible for us to be able to get to this.
5 There is 2.5 billion gallons of infrastructure under construction
6 currently. We are just about 57 million of that.

7
8 We want to double that. We see the need to do that. We cannot
9 go for off-site to get the pollutants. That is going to be a
10 problem. And I believe you have the power here, you sit in the
11 most powerful seat in the legislation of the United States, and I
12 believe you have the power to see to it that this clean fuel is
13 more of a proper answer to our clean air. Thank you.

14
15 Senator Voinovich. Thank you for that. I was going to say it
16 would be interesting, I know there are about 38 or 40 of these
17 plants that are being contemplated, and I don't know how many are
18 in construction right now, but it would be interesting to see,
19 based on our new maps, how many of them would be impacted.

20
21 Mr. Paul, you are the head of the Dayton Regional Air Pollution,
22 you have six counties?

23
24 Mr. Paul. That is correct, Mr. Chairman.

25
26 Senator Voinovich. You come from an area right now, and I get the
27 clips out of the Dayton Daily News, that has really been
28 clobbered in terms of jobs. Your area of all the areas in the
29 State with Adelphi and everything else has been just really hit.

30
31 Have you ever, are you allowed, in doing your job, to look at
32 what impact some of these regs are having on the six counties
33 that are under your jurisdiction in terms of their being in
34 non-attainment? As you know, when I first became Governor, we

1 were non-attainment all over the State. And I worked really hard
2 on it, not only because I was interested in the environment, but
3 I knew, in fact, I was told when I was campaigning, that unless
4 something is done about this, we won't get businesses to expand
5 and certainly they will just fly right over us.

6
7 So I would be interested in knowing, how do you reconcile some of
8 this in terms of the local economy? And you are certainly
9 familiar with the urban poor and what they are up against today
10 in terms of high natural gas costs. I would be interested in
11 what you have to say.

12
13 Mr. Paul. Thank you, Mr. Chairman, and I am concerned. I have
14 worked in the Dayton Regional Air Pollution Control Agency for 33
15 years. So I have been there when you were Mayor of Cleveland,
16 when you were Governor, and we have worked on these issues. We
17 believe that, and obviously as a local agency we are strong in
18 this, we believe that being a responsible agency and providing
19 good permits is one of the solutions.

20
21 We are working right now on a permit for a 122 million gallon per
22 year ethanol plant. We received the application last week. We
23 have three people working on it. We will process that permit.

24
25 I will note that that is a permit that because of good technology
26 is under 100 tons per year. So it could go into a non-attainment
27 area or an attainment area and it would essentially be a minor
28 new source permit.

29
30 So this is something that we can do. Technology is the key. If
31 you have good technology, you can put a source in anywhere.

32
33 Senator Voinovich. Ms. Heiskell, well, my time is up. Senator
34 Isakson.

1 Senator Isakson. Thank you, Mr. Chairman. Thanks to all our
2 panelists for coming.

3
4 Commissioner Heiskell, I have a question for you. Can you give
5 me a specific example or examples of industries or business that
6 have chosen not to come to Walker County because of
7 non-attainment?

8
9 Ms. Heiskell. We did have an auto manufacturing plant that was
10 looking strongly at Chattanooga, who has taken the old Volunteer
11 Army ammunition plant, 1,200 acres, and turned it into a very
12 fine industrial park that has an exit off the interstate. And
13 they decided not to come to Chattanooga after a long process and
14 went to another area outside our region that was not in
15 non-attainment. That cost a lot of jobs from my community, as
16 well as Chattanooga.

17
18 Senator Isakson. Is it not true that the EPA, on their web site,
19 lists all the counties in the Country that are in non-
20 attainment, and that most site location companies that assist
21 major American industries in locating sites go first to that
22 site, rule out communities without ever coming to take a look at
23 them?

24
25 Ms. Heiskell. I am not sure they go first, but I do know that
26 they do that, and it is there. And it does certainly limit those
27 people who are in non-attainment, their counties.

28
29 Senator Isakson. And isn't it true that your community obtained
30 at your own initiative and expense scientific studies and
31 documentation that up to 60 percent of the particulate matter in
32 Walker County was contributed by Alaska, Canada and Africa?

33
34 Ms. Heiskell. That is true.

1 Senator Isakson. And isn't it true that you are under the Bermuda
2 High that traps, in the summer months, May to September, whatever
3 is flowing over kind of gets trapped and stays there for five
4 months?

5
6 Ms. Heiskell. That is also true.

7
8 Senator Isakson. And you are not in charge of the weather, are
9 you?

10
11 Ms. Heiskell. No.

12
13 Senator Isakson. And isn't it also true that in your written
14 testimony you state you suffer from asthma?

15
16 Ms. Heiskell. Yes, it is. I know a lot about asthma. I could
17 answer a lot of questions on that.

18
19 Senator Isakson. I commend you, I hope everybody will read the
20 Commissioner's testimony. Because it is a testimony to the Clean
21 Air Act. It is also a testimony to how reason and judgment has
22 to be applied in the considerations for the effects of these
23 regulations and how carefully EPA needs to look at the unintended
24 consequences of establishing these new standards, which are
25 solely within their judgment to establish.

26
27 And lastly, I want to ask the Commissioner one other question.
28 Can you think of anything that you as the Commissioner could do
29 or initiate to reduce particulate matter that you have not
30 already done in Walker County?

31
32 Ms. Heiskell. No, I can't. But our problem is compliance and
33 enforcement and fines that are placed upon communities that have
34 no control. So we just continue to have to pay more and more as

1 we stay out of compliance.

2

3 Senator Isakson. So you are trapped, you don't have a way out,
4 and you have done everything you can do within your control and
5 your responsibility to meet the standards?

6

7 Ms. Heiskell. We think that we have, except for old men that want
8 to keep burning their yards.

9

10 Senator Isakson. Well, we old men are a problem everywhere.

11

12 [Laughter.]

13

14 Senator Isakson. Thank you, Commissioner, and thank you for being
15 here today.

16

17 Ms. Heiskell. Thank you, Senator.

18

19 Senator Isakson. Thank you, Mr. Chairman.

20

21 Senator Voinovich. Mr. Paul, I am going to try and make this
22 really brief. Dayton is in non-attainment now, is that right,
23 the Dayton area?

24

25 Mr. Paul. That is correct, yes.

26

27 Senator Voinovich. All the counties or just Dayton, Montgomery
28 County?

29

30 Mr. Paul. Four of our six counties.

31

32 Senator Voinovich. Okay. Are you familiar at all with any
33 information from the economic development departments of the City
34 of Dayton or from the counties of situations where they are

1 trying to get businesses to expand or attract businesses where
2 this non-attainment has been a problem?

3
4 Mr. Paul. I am aware that it is a problem. I meet pretty
5 regularly with the chamber of commerce and we discuss that.
6 Primarily we discuss the advantage of coming into attainment. So
7 we talk about the different strategies that are going to help us
8 to come into attainment, and then how to maintain that attainment
9 once we reach it.

10
11 Senator Voinovich. If the decision of the Environmental
12 Protection Agency is to lower the standard, and by the way, the
13 current standard that we have for particulate matter was reviewed
14 by the OMB, and John Graham was over there in OIRA, who I have a
15 great deal of respect for, and they concluded that based on the
16 cost benefit and health benefits and so forth that this was
17 sensible.

18
19 If we get a new standard, isn't that going to make it even more
20 difficult for your region to get businesses to expand or be
21 attracted to the area?

22
23 Mr. Paul. Yes, it could. We agree, your concerns are legitimate,
24 and we agree that they need to be addressed. Where we think they
25 should be addressed, though, is in the implementation. It is not
26 the standard that forces the different requirements, but it is
27 the implementation.

28
29 Senator Voinovich. The problem is, it is the designation. That
30 is the deal. They are designated, and I think that Senator
31 Isakson made the point, when you have folks that do site
32 selections, they get the information and they are advising people
33 and they say, no, you don't want to go there, because your costs
34 are going to probably be more there than if they would be

1 somewhere else, because they are in a non- attainment area.

2

3 Mr. Paul. That is correct.

4

5 Senator Voinovich. And how do you answer that?

6

7 Mr. Paul. Well, I answer that by saying that we can't tell people
8 that the air is healthy if it is not, and that the setting of the
9 standards, if it is done with science, is to inform the public as
10 to whether or not the air they breathe is healthy or not. What
11 we do based on that is something that is another process.

12

13 If I could, Senator, I would suggest that that is where your
14 efforts are better aimed, is at the process, once a standard is
15 set. But we owe it to the public to be honest with them as to
16 whether or not the air they are breathing is healthy or not.

17

18 Senator Voinovich. And that trumps the fact that some businesses
19 might not expand and might not be attracted to the area?

20

21 Mr. Paul. No, what that does is that it says that if the standard
22 should be set at 14, and that means we have a lot of
23 non-attainment areas, and that means that there are going to be
24 economic problems, then that is another topic that needs to be
25 addressed and should be addressed and can be addressed by your
26 Committee.

27

28 Senator Voinovich. Well, I wish I could assure you that would be
29 the case.

30

31 Mr. Paul. If you do, I would pledge to help you with that.

32

33 Senator Voinovich. I know this, that one of the things that we
34 are going to have to look at, and one of the things that we did

1 have in Clear Skies, was a provision that said that if a
2 community was in substantial compliance and moving forward with
3 making the goal, that for example, in 2010, that the sword of
4 Damocles would not come down on their head.

5
6 But that is not the law today. So we have a lot of communities
7 out there that know right know, Joe Koncelik, our EPA, he is fit
8 to be tied. And I am sure you are probably trying to help them
9 on the SIP.

10
11 Mr. Paul. Absolutely.

12
13 Senator Voinovich. But he said, we can't do it. And that is it.
14 I have to be honest with the businesses, I have to be honest with
15 the chamber of commerce people, we can't get it done. So again,
16 this is going to be, it is hurting right now. I understand your
17 position. But there has to be some balance here.

18
19 Senator Isakson.

20
21 Senator Isakson. Just a comment, Mr. Chairman, on what you said
22 about Clear Skies. Clear Skies established aggressive goals for
23 70 percent reduction, SOX, NOX, mercury, but it had positive
24 carrot rewards for people that were doing the right things and
25 making progress. And that is one of the points that I have been
26 trying to make and probably haven't made well enough.

27
28 When you have a community like Ms. Heiskell's that is doing
29 everything they can do, everything within their control, and they
30 are doing it for the right reasons, then to hit them over the
31 head with a stick when instead you ought to get some carrots to
32 reward the ones that are doing right just doesn't seem to be the
33 right approach. I think that Clear Skies was a great step
34 forward in accomplishing even greater reductions of particulate

1 matter and other contributors to pollution while still
2 encouraging people positively to get to those attainment levels.
3 That is all I will say.

4
5 Senator Voinovich. Thank you. Any other questions?

6
7 Well, I would like to thank the panel for being here today. We
8 will do the best we can. And I would like to talk to you, Mr.
9 Paul, about your ideas on how we can deal with this.

10
11 Mr. Paul. Thank you, Senator. I look forward to that.

12
13 Senator Voinovich. Thank you.

14
15 Our next group of panelists, we have Mr. Harry Alford, who is
16 President and CEO of the National Black Chamber of Commerce; Mr.
17 Conrad Schneider, who is the Advocacy Director for the Clean Air
18 Task Force, and Mr. Schneider, we are glad to see you back again.

19
20 Mr. Schneider. Thank you very much.

21
22 Senator Voinovich. And Mr. Bill Christopher, who is the Executive
23 Vice President of Alcoa. And Mr. Christopher, I want to thank
24 you very much for your willingness to sit through all of this, to
25 get an idea of what we go through here, what we do.

26
27 Mr. Christopher. My pleasure.

28
29 Senator Voinovich. And the fact that we have such a distinguished
30 corporate citizen from the greater Cleveland area here to testify
31 on this is very much appreciated. Thank you.

32
33 Mr. Alford, we will start with your testimony, sir.

1 STATEMENT OF HARRY C. ALFORD, PRESIDENT AND CEO, NATIONAL BLACK
2 CHAMBER OF COMMERCE

3
4 Mr. Alford. Mr. Chairman, I am President and CEO of the National
5 Black Chamber of Commerce. The NBCC appreciates the opportunity
6 to offer its views on the Environmental Protection Agency's
7 proposed rule to establish a more stringent National Ambient Air
8 Quality Standard, NAAQS, for particulate matter.

9
10 I will summarize the NBCC's formal statement provided for the
11 record and attempt to respond to any questions you or other
12 members of the Subcommittee may have. Mr. Chairman, the NBCC has
13 190 affiliated chapters in the United States, as well as
14 international affiliate chapters and businesses, as well as
15 individuals who may choose to be direct members with the national
16 office.

17
18 The 1.4 million African American businesses in the United States
19 represent sales of more than \$180 billion annually and maintain
20 an annual spending base of over \$800 billion. The NBCC
21 represents 100,000 Black-owned businesses and provides education
22 and advocacy that reaches all 1.4 million Black- owned businesses
23 across the Nation.

24
25 The NBCC has historically supported the efforts of the EPA to
26 protect the public health of all Americans. The Clean Air Act
27 and its regulatory structure, while controversial over the years,
28 has been the principal driving force behind the improvements in
29 our Nation's air quality and the reduction of harmful air
30 pollutants. The NBCC also understands that despite this
31 progress, much work remains to be done to achieve our Nation's
32 air quality goals.

33
34 In that spirit, the NBCC continues to support EPA's effort to

1 control sources of pollution and the promulgation of regulations
2 that are both cost-effective and based on sound science. As a
3 regulated community, we cannot tolerate regulation for the sake
4 of regulation and the attendant economic costs of such policies.
5 The regulate and punish mentality must be abandoned, so that we
6 may address our environmental challenges while sustaining a
7 strong economy.

8
9 In that regard, the NBCC is concerned that the current EPA
10 proposed rule to further establish new NAAQS for urban
11 particulate matter and to establish a more stringent PM 2.5
12 standard is not supported by current science, and if adopted,
13 could have an adverse impact on NBCC members and affiliates.

14
15 Mr. Chairman, small and medium businesses alike are today facing
16 a number of challenges, not the least of which are higher
17 interest rates and higher energy and related operating costs that
18 are eroding margins and placing pressure on maintaining current
19 employment levels. The imposition of new regulations on
20 industry, manufacturing and other sectors, in the absence of
21 scientific evidence of a demonstrable health benefit, is simply
22 not justified. The NBCC is concerned that these new standards
23 would likely result in further increased energy prices,
24 especially that of natural gas, a key energy input in urban
25 areas.

26
27 Beyond this, given the lack of scientific justification, the NBCC
28 is concerned about the impact of the proposed rule as a result of
29 the expanded number of non-attainment designations under the
30 Clean Air Act. These stricter permitting requirements for
31 companies that add new units or make major modifications to their
32 facility make them competitively disadvantaged, as such
33 requirements do not apply to similar facilities operating in
34 attainment areas. Again, these restrictions would significantly

1 impact urban areas.

2
3 Also, non-attainment areas face the risk of losing Federal
4 highway funding that is vitally important to urban redevelopment.
5 In addition, companies that build a new facility or that perform
6 a major modification to certain existing facilities in or near a
7 non-attainment area would be required to install the most
8 effective emission reduction technology without consideration of
9 cost.

10
11 Moreover, new emissions in the area must be offset. Thus, if
12 there is no party willing to revise the offset, then the project
13 resulting in increased emissions of a given pollutant cannot go
14 forward. Take the Mercedes plant in Alabama, for instance. Our
15 Birmingham chapter was excited that the original plan was to put
16 the plant inside Birmingham city limits. Gas stations,
17 restaurants, hotels, et cetera, would have benefitted
18 significantly. Due to attainment levels, the plant was moved 90
19 miles to the south, in rural Alabama. It devastated the
20 expectations and growth opportunities of the largest city in
21 Alabama.

22
23 The same scenario happened in Indiana with the Isuzu plant that
24 was destined for Indianapolis, but ended up 70 miles north in
25 Lafayette. We have about 250 members in the Indianapolis chapter
26 and 2 in Lafayette. The impact was obvious. Those are but two
27 examples.

28
29 And sir, we try to educate our elected officials on why there is
30 unemployment. It is amazing in urban areas unemployment is so
31 high. We try to explain the reasons for that. And one of the
32 reasons is bad and ill-thought regulation.

33
34 Thank you.

1 [The prepared statement of Mr. Alford follows:]

2
3 Senator Voinovich. Thank you for your testimony.

4
5 Mr. Schneider.

6
7 STATEMENT OF CONRAD SCHNEIDER, ADVOCACY DIRECTOR, CLEAN AIR TASK
8 FORCE

9
10 Mr. Schneider. Thank you, Mr. Chairman and other distinguished
11 members of the Subcommittee.

12
13 My name is Conrad Schneider. I am the Advocacy Director of the
14 Clean Air Task Force. We are a non-profit organization dedicated
15 to restoring clean air and healthy environments through
16 scientific research, public education and legal advocacy. I
17 would like to introduce Blake Early, who is going to help me by
18 flipping the charts up here, from the American Lung Association.
19 I would like the record to reflect that Mr. Early has been a
20 champion of clean air for many, many years.

21
22 Let me begin, Mr. Chairman, by wishing you a happy birthday,
23 which if I am not mistaken is coming up this weekend.

24
25 Senator Voinovich. Thank you.

26
27 Mr. Schneider. Some of my colleagues in the environmental
28 movement were a little sorry that this hearing was scheduled. I
29 take a slightly different view. I think we need more attention
30 to the issue of particulate matter, so I welcome this
31 opportunity.

32
33 Further reductions in fine particles are a matter of life and
34 death for tens of thousands of Americans. From the perspective

1 of human health, particulate matter is the most important
2 pollutant that is regulated by EPA, period. Estimates by EPA's
3 leading air benefits consulting firm, Abt Associates, has found
4 that fine particles from power plants and from diesel engines
5 together lead to the premature deaths of nearly 45,000 Americans
6 each year.

7
8 In Ohio alone, diesel and power plant pollution is responsible
9 for the premature deaths of approximately 2,500 people each year.
10 In polluted cities such as the cities that are in residual
11 non-attainment, the mortality risk of breathing the air is
12 comparable to the risk of living with a smoker.

13
14 The proposed revisions, while an improvement over the current
15 standards, do not go far enough in protecting human health. EPA
16 should tighten the proposed standards to protect public health
17 with an adequate margin of safety by tightening both the annual
18 and the daily standard and setting a coarse particle standard.
19 As a conservative estimate, tightening these standards could save
20 as many as 10,000 additional lives each year. Certainly, EPA
21 cannot justify adopting standards any less than those recommended
22 by its own Clean Air Science Advisory Committee.

23
24 Now, while issues of cost and implementation are and should be
25 outside the scope of EPA's review, this Subcommittee should note
26 that the current proposed standards are achievable, cost benefit
27 justified and can be met with affordable, available technology
28 that will not damage America's economic vitality or the economic
29 health of the sectors that will be called upon to shoulder the
30 load.

31
32 Although the Task Force believes it would be inappropriate to use
33 cost benefit tests to determine the NAAQS standard, it should
34 give the Subcommittee some confidence to know that steep

1 reductions in fine particles are overwhelmingly cost benefit
2 justified. The regulatory impact analysis of the CAIR rule, of
3 the new diesel rules and of EPA's analysis of Senator Carper's
4 bill, the Clean Air Planning Act, found that the benefits in
5 every case outweighed cost by ten to one. That is \$10 of benefit
6 for every \$1 of cost spent.

7
8 Now, for these new standards, the proposed standards, for better
9 or for worse, the regulatory impact of these standards will be
10 far in the future. The way the system works, we are talking
11 about a standard that won't be achieved until 2020 or later. It
12 is certainly premature today to conclude that the proposed new
13 standards will be impossible to achieve. However, EPA and the
14 States do need a renewed focus on making that happen. This is
15 happening in Cleveland, as you know, in Columbus, through the
16 MORPC process there, and in Dayton, as we heard.

17
18 We do know enough today to know that a cost-effective program for
19 attaining these standards would include A, setting a tighter
20 national or regional cap on power plant sulfur dioxide emissions;
21 States requiring sulfur dioxide emissions on power plants that
22 have a significant impact on nearby non-attainment areas; EPA
23 completing the process of tightening standards for new locomotive
24 and diesel engines and marine vessels; and also requiring on-road
25 diesel engines to meet tighter emission standards when they are
26 rebuilt. And lastly, States and local governments requiring
27 additional PM 2.5 reductions from private and public diesel
28 fleets.

29
30 You and Senator Carper, in your actions on the Diesel Emission
31 Reduction Act and the Clean Air Planning Act are taking exactly
32 the right approach, focused on the power industry and America's
33 diesel fleets as the largest contributors to the problem, and
34 potentially the largest contributors to the solution. EPA,

1 thorough its CAIR rule, took an important step, but as you noted,
2 it will be too little too late for some of these areas that are
3 trying to meet their attainment obligations on time.

4
5 If we could see the next three slides, the first one shows the
6 current non-attainment designations for under the current
7 standard. The next one shows how that map would change and the
8 improvement under the CAIR rule in 2010, we lose much of the red.
9 And by 2015, the CAIR rule helps even more. The areas start to
10 diminish.

11
12 But let me go to the next slide, the very next slide, which is a
13 2 million ton sulfur dioxide cap, such as has been proposed by
14 Senator Carper in the Clean Air Planning Act. This is the
15 tightest standard that has been proposed, much tighter than the
16 CAIR rule and tighter than Clear Skies. You can see, we have
17 almost got the red out.

18
19 Unfortunately, EPA in its CAIR rule has tied the hands of the
20 States in making additional power plant reductions beyond CAIR
21 more difficult than is necessary. This special treatment
22 afforded the power sector is forcing States to turn to more
23 expensive sources.

24
25 EPA is working on its RIA right now, and look at what it says for
26 Ohio. If you look at the bars on the far left, and there is a
27 handout at each of your places at the dais there that shows this,
28 if you can't see the poster. On the far left of each of these
29 things, it is for Cuyahoga County and Summit County, Ohio, the
30 light blue bar shows what the benefits would be from additional
31 reductions beyond CAIR. The light blue bar in each case says
32 that power plants should be the target of the next set of
33 reductions beyond CAIR, because they are the most effective.

1 Do you know what the other bars are? Diesels. Power plants and
2 diesels are the critical path steps that we need to take to
3 achieve the standards. And the same is true with respect to two
4 other counties in Ohio, Butler and Hamilton. Same story. Power
5 plant sulfur dioxide is the next lowest hanging fruit. We need
6 to take the second bite at that apple to make achieving the
7 standards a reality.

8
9 Let me go to the last slide very quickly. These slides show that
10 diesels in Atlanta, Chicago and New York are the biggest local
11 contributors, and therefore the biggest part of the solution that
12 we could have in those areas that have a sort of residual or
13 persistent non-attainment.

14
15 And then the last slide here shows that what happens in Ohio
16 stays in Ohio. Although much has been made about interstate
17 transport of pollution from Ohio power plants to the northeast,
18 the biggest adverse impact from Ohio plants is felt right in
19 Ohio. And that is where the biggest part of the solution will
20 come, too. Ohio will experience the greatest benefits from
21 additional reductions in Ohio power plants.

22
23 In closing, let me just say that Congress should leave alone the
24 existing statutory and regulatory process for setting these
25 standards. The current standard setting process provides an
26 excellent example of what we all should want: namely,
27 science-driven policy. Instead of unnecessarily complicating
28 this process, for example, by introducing the false objectivity
29 of a cost benefit analysis, EPA should be observed to respect the
30 deadlines in the Clean Air Act. And if it takes any action at
31 all, Congress should fully fund and restore the States' air grant
32 program, because the people on the front lines of making these
33 standards a reality will be the State air officials whose budget
34 is proposed to be cut by \$35 million.

1 Thank you, and I would be happy to answer any questions you may
2 have.

3
4 [The prepared statement of Mr. Schneider follows:]

5
6 Senator Isakson. [Presiding]. Thank you, Mr. Schneider.

7
8 Mr. Christopher, you are recognized. Mr. Schneider took a little
9 bit of extra time, so you need to take a little bit of extra time
10 to get your worth, that is fine.

11
12 STATEMENT OF WILLIAM F. CHRISTOPHER, EXECUTIVE VICE PRESIDENT AND
13 GROUP PRESIDENT, AEROSPACE, AUTOMOTIVE AND COMMERCIAL
14 TRANSPORTATION, ALCOA

15
16 Mr. Christopher. Mr. Chairman, members of the Subcommittee, thank
17 you for the opportunity to be before you today.

18
19 My name is Bill Christopher. I am the Group President for
20 Aerospace, Automotive and Commercial Transportation for Alcoa. I
21 also serve as an Executive Vice President for the company.

22
23 We have over 131,000 employees in 43 countries. We are the
24 world's leading supplier of alumina, aluminum and a lot of
25 transportation and industrial products around the world. We at
26 Alcoa hold sustainability as a core value in our business and in
27 everything we do. We have hard goals and metrics for
28 sustainability as key elements of our 2020 vision for the
29 company. In 2005, we were honored to be named as one of the
30 world's three most sustainable corporations by the World Economic
31 Forum.

32
33 I also serve on the board of directors for the Greater Cleveland
34 Partnership, or GCP, and I appear before you today on their

1 behalf. GCP is one of the largest metropolitan chambers of
2 commerce in the Country, representing more than 16,000 small,
3 mid-size and large companies in the region. Because of our
4 commitment to the environment and concern for the region's
5 economy, GCP has asked me to provide leadership in the efforts to
6 shape the business community's involvement in clean air
7 compliance discussions.

8
9 My message today will focus on the economic impact of imposing
10 standards that are difficult if not impossible to attain in the
11 short term. I would like to make four key points.

12
13 First and foremost, I am not here to debate the value of vigorous
14 efforts to achieve cleaner air. There is absolutely no doubt
15 that cleaner air is central to the future health of our residents
16 and overall quality of life. Both my company and the Cleveland
17 business community have demonstrated their commitment to
18 continuous improvement in the region's air quality.

19
20 We are currently working with the Northeast Ohio Areawide
21 Coordinating Agency, or NOACA, in the development of the Ohio
22 State implementation plan for ozone compliance. We will also be
23 actively engaged in the fine particulate process. We are
24 reaching out to more than 60 local manufacturing companies to
25 educate them about the situation and ask for their assistance in
26 developing innovative and progressive solutions to the problems.

27
28 However, since an estimated 60 percent of Northeast Ohio's
29 pollutants come from outside the region, neither our sincere or
30 aggressive efforts or regulatory action imposed on the region
31 will bring us into compliance by 2010.

32
33 Second, and equally important, our efforts to achieve cleaner air
34 must be a delicate balance. They must take into account the

1 potentially significant economic costs of places like Cleveland
2 that are in the midst of a very painful economic transition.
3 Third, achieving the balance is complicated, because the time
4 lines for meeting the Clean Air Act standards are mis-aligned
5 with the time lines for several Federal standards established to
6 regulate specific industries. The gaps created by these
7 misalignments add economic costs to compliance that could be
8 devastating in places like Cleveland that rely on manufacturing
9 today as a key element of their economy.

10
11 We are currently reviewing studies that indicate the cost of
12 compliance in the Cleveland region could be as much as \$919
13 million a year in order to meet the requirements by 2010. In
14 contrast, the estimate is \$12 million a year if we allow the
15 benefits of industry regulations to take effect by 2015.

16
17 This misalignment could cost Northeast Ohio 12,000 jobs, could
18 result in a \$1.1 billion reduction in disposable personal income
19 and a \$1.4 billion reduction in gross regional product, a
20 prospect the region can ill afford. The decline in related tax
21 revenues would hamper the ability of the region's public sector
22 to support initiatives that help with the transition of the
23 economy from one based on heavy manufacturing to a knowledge and
24 service based economy.

25
26 The stigma of a sustained designation as a non-compliance region
27 will have impact on future residential and economic growth in
28 spite of our significant improvements in the air quality in the
29 region. This chronic condition will create an environment of
30 uncertainty, significant costs that will accelerate the flight of
31 private capital from the region and more than likely outside the
32 Country. Companies looking to locate facilities or expand
33 capacity will not even consider communities in non-attainment, we
34 have heard that from others.

1 Finally, before any new regulations are adopted, regions like
2 Cleveland should be given adequate time to understand the costs
3 of proposed standards and develop strategies that reflect the
4 needed economic balance. New modeling capabilities perhaps
5 developed and tested in Northeast Ohio with the assistance of the
6 Federal Government can help in this critical task.

7
8 Compliance with a more stringent fine particulate standard in the
9 face of standards misalignment and indeterminate science, before
10 we have even had the opportunity to adequately address the
11 challenges of the current SIP process, may be physically
12 impossible, if not economically devastating to the Cleveland
13 region. I again want to close and finally emphasize, achieving
14 cleaner air is a goal we all actively support and we must
15 achieve.

16
17 However, we would like to urge the Federal Government to move
18 forward with caution. We ask that you provide regions like
19 Cleveland with adequate time and resources to find a balanced
20 approach that allows us to address these increasingly complex air
21 quality challenges in a way that minimizes the impact to our
22 economy. Incremental responses to air quality compliance with
23 time lines that are not in synch with national time lines on
24 other industry regulations are likely to create huge costs in the
25 short term and leave our region in a state of non-compliance for
26 years to come.

27
28 We respectfully ask your EPA Administrator to defer action on the
29 24 hour fine particulate matter standard at this time, and to
30 assist Northeast Ohio with evaluating the impact of meeting
31 current standards. Thank you.

32
33 [The prepared statement of Mr. Christopher follows:]
34

1 Senator Isakson. Thank you, Mr. Christopher. Chairman Voinovich
2 will return in a minute. I will take the first round of
3 questions then go to Senator Lautenberg.

4
5 If the gentleman from the Lung Association would put back up that
6 chart that had the purple bars that showed Ohio and the
7 contributing States, I wanted to ask a question. I believe it
8 was the last one.

9
10 Mr. Schneider, I appreciate your testimony and I want to make
11 sure I heard right what you said on this chart. You said that
12 this demonstrated that Ohio was the major contributor to its own
13 problems.

14
15 Mr. Schneider. That is right.

16
17 Senator Isakson. Isn't it true, though, and this is not
18 adversarial, sometimes people preface something with that, so
19 everybody says, here it comes, isn't it true though, if you took
20 all the other States that do contribute to Ohio, which are
21 Minnesota, Indiana, Pennsylvania, even the great State of
22 Georgia, where I am from, and put them in one bar, they would
23 exceed the contribution of Ohio?

24
25 Mr. Schneider. I don't know that for sure. That certainly could
26 be the case. There is a problem with interstate transport, there
27 is no question about that, Senator.

28
29 Senator Isakson. Well, wait a minute. You don't know what the
30 question is yet.

31
32 [Laughter.]

33
34 Senator Isakson. I have added it up, and that statement was

1 correct. Outside States contribute more than the State that is
2 affected.

3
4 Now, here is the hypothetical question. I go back to my county
5 commissioner from Georgia, from Walker County, Ms. Heiskell.
6 Assuming that Ohio had done everything within its capacity to
7 reduce its contribution as a State.

8
9 Mr. Schneider. I am looking forward to that day, sir.

10
11 Senator Isakson. Well I said if. I didn't say that it had. If
12 it had and yet it still was in non-attainment because of the
13 contributions from States who had not done everything they could,
14 or industries that hadn't, is it still fair for them to be
15 punished because of that fact?

16
17 Mr. Schneider. That is not such a hypothetical question for me,
18 Senator, because I live in the State of Maine. And Maine is at
19 the end of the tail pipe for everybody, the Midwest and Northeast
20 combined.

21
22 Senator Isakson. Would it be fair to Maine?

23
24 Mr. Schneider. This is what I am getting to. The Clean Air Act
25 has provisions that allow some recognition of what you are
26 talking about. And rarely do we see a situation, when you really
27 drill down and look at it, that a State has done everything that
28 is reasonable to do.

29
30 Senator Isakson. I said it was hypothetical.

31
32 Mr. Schneider. I understand. But I am in a bit quarreling with
33 the premise, because it hasn't been my experience that States
34 that tend to point their fingers to other States have clean hands

1 to do so.

2

3 Senator Isakson. Well, this is not hypothetical. If Walker
4 County, Georgia and Commissioner Heiskell had done everything
5 they could do within their control, everything they could do
6 within their control including in zoning and land use and
7 everything else, and yet because of contributions of pollution
8 from other areas and other States and other continents, in their
9 case, they are still in non-attainment, should they be denied
10 highway funds to improve their roads?

11

12 Mr. Schneider. Well, what the State of Maine did

13

14 Senator Isakson. I asked about mine.

15

16 Mr. Schneider. It is the same answer. Because I think it
17 provides a good model for what may be an appropriate type of
18 relief for what you are talking about.

19

20 What our State did was they filed a petition under Section 126 of
21 the Clean Air Act, saying that their problem was being caused by
22 interstate pollution, and they called on the U.S. EPA to reduce
23 that pollution to such an extent that they would no longer be
24 there. They were saying, in effect, you upwind State are causing
25 my problem, I am calling on the EPA to solve that problem. They
26 don't sit back and just say, I am sorry, our hands are tied, we
27 can't do anything about it.

28

29 Senator Isakson. Who doesn't say that?

30

31 Mr. Schneider. That is what I am saying the State of Maine did
32 not do, and complain about it. They did something about it.
33 They used the provision of the Clean Air Act to put the ball back
34 in EPA's court and required that they

1 Senator Isakson. And so now you would agree that if they weren't
2 the main contributor and other people were, that they shouldn't
3 automatically suffer from reduction of access to highway funds?
4 That was the question.

5
6 Mr. Schneider. And that was the major reason that Governor King
7 in Maine filed a 126 petition, was because he was demonstrating
8 that

9
10 Senator Isakson. What was the result of the 126 petition?

11
12 Mr. Schneider. It was granted.

13
14 Senator Isakson. Okay, I am using all of my time. Wait one
15 minute. So the answer is yes, and you do think that if a
16 community is doing everything it can do to meet standards and
17 still is punished or in non-attainment, there should be a method
18 for them to come out from under the punishment?

19
20 Mr. Schneider. In the wisdom of the legislation, the Clean Air
21 Act, there is a mechanism, and it has worked before.

22
23 Senator Isakson. In fairness to Commissioner Heiskell, because
24 your assumption is that we are complaining and hadn't done
25 everything we could do to appeal to EPA, that is in fact not the
26 case, they have gone to immeasurable lengths and cost to get the
27 scientific data to demonstrate exactly that case, and the EPA has
28 been rigid. We might ought to hire you to go make the argument
29 and that is another question.

30
31 Senator Lautenberg, I am going to take one additional second, if
32 you don't mind.

33
34 Senator Lautenberg. I don't mind at all.

1 Senator Isakson. Because I wanted to commend Mr. Alford.
2 Everybody's testimony was great, but that is about as succinct a
3 statement as I have heard on this entire issue. In fact, I saw
4 this morning on television former Vice President Gore in an
5 excerpt from a speech he made, I believe to Wal-Mart in
6 Bentonville, Arkansas yesterday, where he was applauded for the
7 statement that you, Mr. Christopher, actually made in your
8 testimony, which was that there is a delicate balance between
9 business and the environment, and collectively working together,
10 we can solve our problems.

11
12 Mr. Alford in his testimony and you in yours took that approach,
13 not that it is us versus them. But in fact together, in a
14 cooperative spirit, can move the Country forward. And this again
15 is a statement and not a question. I hope everybody will read
16 the statements of everyone, but I commend the statement of Mr.
17 Alford to you, because it succinctly said that we don't need to
18 avoid doing anything to improve our environment, but we must
19 avoid destroying what allows us to do that, which is the vitality
20 of our Country, our business and our economy, all for the sake of
21 the symbolism of having done that.

22
23 And that is the reason I asked you the question that I asked you,
24 Mr. Schneider. But I commend you on your comment and I
25 appreciate your quantifying the cost under the potential standard
26 that is being proposed now, Mr. Christopher.

27
28 Mr. Christopher. Thank you, Senator.

29
30 Senator Isakson. With that, I apologize for going over. But Mr.
31 Schneider's answer was long.

32
33 Senator Lautenberg.

1 Senator Lautenberg. Not at all, I thought the questions were
2 long.

3
4 Senator Isakson. Okay, fair enough.

5
6 [Laughter.]

7
8 Senator Lautenberg. In any event, we are not pressed with the
9 smallest minute here. Mr. Chairman, to Chairman Voinovich, are
10 you pressed for time? Because if you are, I will be happy to
11 defer.

12
13 Senator Voinovich. [Presiding.] No, go ahead.

14
15 Senator Lautenberg. Thank you. Frankly, Mr. Alford, I am
16 interested in what you say, but surprised. Because when I see
17 what happens in the minority community in so many cases, and
18 environment is a favorite subject of mine, even though my
19 background had little to do with environment, except wishing for
20 good things. I was a fairly successful leader of establishing a
21 business, businesses in Cleveland, ADP, I think must be a member
22 of the chamber there. I know it is a significant factor.

23
24 Because too often, the areas, I grew up in the city of Patterson,
25 New Jersey, it was largely a minority city.

26
27 Mr. Alford. I am familiar with it, yes, sir.

28
29 Senator Lautenberg. I lived there as a child. And typically,
30 what happens is those areas are the ones, the urban areas, the
31 minority areas are the ones where they put the incinerator plants
32 and the Superfund sites.

33
34 As a consequence, I think it does have some health significance

1 to the individuals who live in those areas. And while I respect
2 the fact that minority businesses are often disadvantaged by all
3 kinds of things, but I would have thought that you might be aware
4 of a report by the CASAC, it is a group of scientists that go
5 without challenge, created by the Clean Air Act, they are
6 supposed to be scientists and not politicians. They see all
7 kinds of problems as a result from the particulate material
8 matter standard. They say that the agency, EPA, has chosen to
9 propose going outside the range of the CASAC, this science group,
10 recommended levels, to retain the annual standard level at its
11 current level.

12
13 They say the agency's risk assessment indicating reduced health
14 risks at annual PM 2.5 levels below the current standard was a
15 key component in their recommendations. And they talk about the
16 dangers to health and so forth, and are fairly harsh, have come
17 back a second time to reaffirm that. So the scientific
18 authentication here I think is fairly well established. One can
19 agree with it and say, look, the devil with the science. We
20 don't care what they say. We have business and we have jobs and
21 that is all.

22
23 But I think ultimately, if the average citizen was given a choice
24 between some job change and saving lives, especially in my
25 family, in your family, all of you, I think that they would say,
26 hey, listen, let's get on with this job. Mr. Christopher, I am
27 interested, your company is quite a company and I marvel at the
28 ability they have had to stay in business with all kinds of
29 competition in the field. But the fact of the matter is, it
30 doesn't seem to me like there is a rush. And I might quarrel a
31 little bit with your recitation of the time table. However, the
32 timing of these regulations, such that major impacts will occur
33 in years 2010 to 2015 time frame, as a result complies with
34 current Clean Air standards by 2010, and will require incremental

1 actions.

2

3 But if we look, the effective date of designation, there is no
4 action except to do some planning, that is April 2010, the
5 reports are due 2013. The attainment date is 2015, and the
6 attainment date with an extension which can be received is 2020.
7 Doesn't that look like there is enough time to make adjustments?
8 We make adjustments to all kinds of things. There are products
9 that are no longer manufactured, asbestos, for instance, and
10 tobacco, as we have discussed, is considerably diminished,
11 because we see that there is a harm associated with those
12 products.

13

14 Well, there is a harm associated with these emissions. I am
15 sorry the Chairman wasn't here, because he would have seen Ohio
16 in prominent position there as being the largest contributor to
17 particulate matter among a whole bunch of States. It was
18 defended by the fact that there are States west of you who throw
19 their particulate matter at Ohio.

20

21 But if we have a national standard, and I will get back to you,
22 Mr. Christopher, if we have a national standard, isn't it going
23 to reduce the assault on the air of Maine and New Jersey and
24 other places, because everybody will start contributing? And I
25 think there could be some exception made, Mr. Schneider pointed
26 that out, on appeal. Because even if you did not operate any of
27 your businesses, you would still be in non-attainment in Maine.

28

29 Mr. Christopher, is there not any reasonableness to this time
30 table to make the shifts? I mean, you agree in your early
31 comments that this is something that you would like, that you are
32 concerned about, the company, public health.

33

34 Mr. Christopher. Senator, no, actually, we do agree. We don't

1 debate what needs to be done or whether it needs to be done. It
2 gets to be a debate of pace. The numbers I referenced talk about
3 the current misalignment between industry regulations and meeting
4 the 2010 standards. So if we extend that to 2015, the point that
5 we are making is, we have to look at this in aggregate, that
6 diesel emission regulations, which in fact will be fully
7 implemented on diesels in 2010, will take five to seven years
8 before the fleet is replaced and full benefit is there.

9
10 When we get down to trying to deal with the gap between when
11 these regulations will have a significant impact on especially
12 NOX emissions and when we have to hit Clean Air standards that
13 are required by the EPA, the cost of implementing in that
14 transition is very, very high. And our point is, moving forward,
15 unless these get aligned, so that yes, in fact, regulating
16 emissions on coal-fired power plants has been done in part of the
17 Country, it hasn't been done in the rest, in the absence of doing
18 that, we won't be able in the regions to attack locally generated
19 sources to the point where we will be able to close these gaps.
20 We will be in non-attainment.

21
22 And to be realistic, \$900 million won't be spent, because
23 businesses and industry will look at that and go, this is not a
24 viable economic solution. You will be more than likely to see
25 the jobs flight. And that is the point we are making. It is not
26 a debate of whether it needs to be done. It is aligning the
27 Federal regulations with the Clean Air Act and the pace at which
28 we can do this.

29
30 Senator Lautenberg. Has Alcoa moved jobs from the U.S. to other
31 places?

32
33 Mr. Christopher. For environmental reasons, no.
34

1 Senator Lautenberg. For business reasons?

2
3 Mr. Christopher. For business reasons, we have, yes.

4
5 Senator Lautenberg. Well, I think there are options available in
6 the event of __

7
8 Senator Voinovich. The Senator is at nine minutes.

9
10 Senator Lautenberg. Okay, I just wanted to show you this if you
11 hadn't seen it.

12
13 Senator Voinovich. Thank you.

14
15 Senator Lautenberg. By the way, not pointing an accusatory
16 finger, I promise you.

17
18 Senator Voinovich. I understand. I have more power plants than
19 probably any State in the Nation. That is one of the reasons why
20 we wanted to get Clear Skies passed.

21
22 Mr. Schneider. Senator, and the point of that graph that you were
23 just shown, which is my graph, was only to say that for many
24 years, Ohio has been blamed by the Northeast for all of its
25 problems. You are more than well aware of that.

26
27 My point was to say that what happens in Ohio stays in Ohio, that
28 the biggest contributor to Ohio's own problem is Ohio power
29 plants. That is the point. And cleaning them up, and I was
30 suggesting in my testimony that we need to go further than CAIR
31 to do that, because going further to CAIR is still cost-
32 effective reductions, rather than shifting the burden on to small
33 businesses and industries. If you do that in Ohio, you will see
34 the biggest benefits both in health but also for your

1 non-attainment problem.

2

3 Senator Voinovich. I am familiar with that. Just for the record,
4 Senator Lautenberg, when I was Governor we were in compliance.
5 But we sure got shoot a lot.

6

7 [Laughter.]

8

9 Senator Voinovich. And your solution to the problem, the 126
10 petitions, we have an environmental policy by lawsuit. We need
11 some certainty. And it is a big, big problem.

12

13 Mr. Alford, I agree with Senator Isakson. Your testimony was
14 right on.

15

16 Mr. Alford. Thank you.

17

18 Senator Voinovich. And I can't help but think back when I was
19 Mayor, where we were working very, very hard to do economic
20 development in the city of Cleveland, to provide jobs for those
21 people who are unemployed and having all kinds of problems with
22 the Environmental Protection Agency. I suggested one day, why
23 don't the two of you get together and talk. On one hand, we are
24 trying to create jobs, on the other, we are trying to make it
25 more difficult to create jobs.

26

27 I also just thought about the brownfields legislation that we are
28 all excited about. It would be interesting to see, I see Mr.
29 Paul nodding your head, we are trying to do something in Dayton
30 right now. But if you are not in attainment, new rules come in,
31 the fact that somebody is going to develop a brownfield site may
32 be less likely than it would ordinarily. So it is just somehow
33 bringing some sense to all of this.

34

1 Mr. Christopher, you compete internationally. Has your company
2 ever looked at your costs versus, and you said in your testimony,
3 no, we haven't moved because of the environment, but have you, in
4 your consideration about where you are going and what you are
5 going to do, for example, in the Cleveland area, what impact will
6 this have on your decision making about your future expansions or
7 perhaps locations?

8
9 Today, China has no environmental regulations. They are talking
10 about it. But they lose, 450,000 people a year die from
11 pollution. And their pollution now is, 20 percent of the mercury
12 in the Great Lakes, according to our best information, is from
13 China. Their pollution is starting to reach the West Coast of
14 the United States. This calls for a global discussion on this,
15 and I am glad the President has now instigated this in that area
16 of the world, I think five or six countries.

17
18 Comment on that in terms of your competitive position in the
19 global marketplace and what impact this has. I know for sure in
20 the chemical industry that we have lost jobs, absolutely, because
21 of the high cost of natural gas. And one of the reasons why we
22 have high cost of natural gas is that we encouraged people to use
23 natural gas to generate electricity because it is cleaner. And
24 at the same time, and I know I could probably debate Mr.
25 Schneider about this, at the same time we were shutting down the
26 supply of natural gas. So obviously the price is going to go up.

27
28 Mr. Christopher. For us, when we make considerations, for
29 example, in Cleveland. We have a facility that has been there
30 now for 75 years. It still is one of the finest wheel facilities
31 in the world. It is incredibly competitive.

32
33 Senator Voinovich. I have been there, it is terrific.

1 Mr. Christopher. We have aggressively reduced not only our
2 emissions, but what we even operate against our permits. It has
3 allowed us to expand, we have done the offsets.
4

5 The problem we faced moving forward in a non-attainment area is
6 that we are getting to a point where being able to get offsets to
7 continue to expand and modernize the facility will start to
8 impact its competitiveness. Those are the concerns that we have.
9 When we look at relocating in a region, and we do a lot of
10 defense business that will stay inside the United States, we
11 won't look at a non-attainment region, because we can't predict
12 our ability to expand the operations if it is successful. Those
13 are the kinds of things that start to influence us.
14

15 I think on the one hand, our Cleveland plant is absolutely
16 evidence of being able to be an environmentally very responsible
17 citizen, set a leading standard and be very, very good for
18 business. We have shared those experiences with other people in
19 Northeast Ohio. On the other hand, we are starting to get to the
20 point where our options are becoming limited.
21

22 Senator Voinovich. And part of your problem, as you mentioned, is
23 the uncertainty of the situation.
24

25 Mr. Christopher. Absolutely.
26

27 Senator Voinovich. Would you like to comment on New Source
28 Review?
29

30 Mr. Christopher. I would prefer not to.
31

32 [Laughter.]
33

34 Senator Voinovich. That is still up in the air, in more ways than

1 one.

2

3 So the bottom line is, all of this, because of the way it is
4 going, you are going to take that into consideration in terms of
5 decision making.

6

7 Mr. Christopher. Well, it has an impact on how you think about
8 investing in the facility that you have, and maintaining the jobs
9 that we have there. It does.

10

11 Senator Voinovich. Right.

12

13 Mr. Alford, would you like to make any further comment? One I
14 thought of is that we never get into, we talk about the asthma
15 and the particulate matter and the impact on health, and I am
16 going to be doing a lot more work in that area, just to satisfy
17 my curiosity, but we don't talk about the fact that if I don't
18 have a job, and I can't afford health care

19

20 Mr. Alford. Yes, I would like to put in the record, I wanted to
21 respond to Senator Lautenberg, the biggest health risk to African
22 Americans anywhere, including New Jersey, is poverty. That is
23 the biggest risk. The lack of funds for adequate health care,
24 and a good paycheck overrides that.

25

26 I had a very textbook example in Camden, New Jersey, when many
27 people came and wanted to stop a cement plant from going in to
28 Camden, New Jersey, LeFarge. I went to the black church, the
29 NAACPs and showed them how many jobs the cement plant was going
30 to impact Camden, and the quality of life, health care,
31 education, safety, all that would be positively affected. And 85
32 percent of that community overwhelmingly received that cement
33 plant. I am glad to say it is doing well.

34

1 Senator Voinovich. I know when we built the Chrysler plant in
2 Toledo, we did it in the city. A lot wanted to go to the
3 greenfields, and the environmental concerns were one of the
4 concerns that were folded in.

5
6 But one of the things was, you move jobs out into the
7 greenfields, as noted in some other testimony, it is very, very
8 difficult for people to take advantage of that.

9
10 Mr. Alford. Members of our Toledo Black Chamber of Commerce,
11 Northwest Ohio Black Chamber of Commerce, did about 30 percent of
12 the construction of that plant, sir. It was very positive.

13
14 Senator Voinovich. Do any of you have any other comments you
15 would like to make?

16
17 Mr. Schneider. Two, briefly, Senator. One is just a note with
18 respect to Senator DeMint's comment about, how can it be that air
19 pollution is getting better and asthma is getting worse and
20 therefore there is no causation. That kind of misconceives the
21 issue, a lot of people talk about that.

22
23 The issue is, if you have an explosion in asthma, which we have,
24 and we know that air pollution is a trigger for that, it is
25 creating more people who are susceptible. So it is not that the
26 air pollution is causing the asthma explosion, it is that when
27 you have all those people that have asthma for a variety of
28 different reasons, because it is a multi-factorial disease, a
29 complicated disease, we have more people who could be negatively
30 impacted by the air pollution that exists, even as it is getting
31 better.

32
33 Senator Voinovich. How do you answer the question about the job
34 loss and people who can't afford health care? I know for example

1 one chemical company came to me and said, three years ago, you
2 have to do something about natural gas costs or we are going to
3 be moving jobs out of the United States, and they went from, I
4 think 22,000 jobs, they are now at 14,000. They said, if you
5 keep going, we will be down to 10,000, 6,000, zero.

6
7 Mr. Schneider. Senator, I am puzzled by your comment on that,
8 because I know that you had a hearing on the impact of the Clean
9 Air Act on natural gas prices. My recollection from that hearing
10 was that every single witness, whether it was a majority witness,
11 minority witness, EPA, DOE, private companies, all came in and
12 said that there is not a relationship between the restrictions or
13 the requirements of the Clean Air Act and gas prices going up.
14 That just is a false linkage.

15
16 Senator Voinovich. Well, the fact of the matter is

17
18 Mr. Schneider. That is not what they said.

19
20 Senator Voinovich. Regulations shoved them into generating
21 electricity through natural gas, because it was the easiest to
22 get a permit, and it was the easiest for them to comply with the
23 environmental regulations. And at the same time that happened,
24 environmental policies made it more difficult for us to get
25 natural gas. We are in that boat right now.

26
27 I will tell you something, just as a final comment. I think that
28 this Country is in real trouble today. We have never had more
29 competition than we have today, worldwide. Unless we develop the
30 infrastructure of competitiveness and start looking at things
31 differently, and that gets into health care, that gets into
32 energy, it gets into dealing with the budget situation that we
33 have, there is a lot of things out there, the infrastructure
34 needs that we have in the Country.

1 But one of them has to do with the environmental area. Unless we
2 can get together, and I talk about the second declaration of
3 independence, that is moving away from foreign sources of energy,
4 for our national security and for our competitiveness. But it is
5 not going to happen unless we get more things like we are doing
6 with the DERA legislation. But there has to be some coming
7 together and putting each other's shoes on and figuring this
8 thing out. And not only looking at it from the point of view of
9 just our Country, but to look at it in point of view of where
10 does this all fit globally.

11
12 I will tell you, we cannot keep going the way we are. I know you
13 don't agree with me, Mr. Schneider, but my problem is that I
14 don't think, in so many of the decisions that we have made over
15 the years, that we have taken into consideration the issue of the
16 impact of environmental on our energy and our economy. It is
17 something that unless we work it out, I think we are going to
18 continue to see maybe a better environmental situation, but I
19 think underneath, in terms of jobs and some of the other things
20 that are so important to Americans.

21
22 So there has to be some compromise here. And we really haven't
23 been able to do that. This is my eighth year on this Committee.

24
25 Thank you very much.

26
27 [Whereupon, at 12:30 p.m., the subcommittee was adjourned.]