



Baton Rouge Area Chamber®

564 Laurel Street
Baton Rouge, LA 70801
P 225.381.7125
F 225.336.4306
BRAC.ORG

January 29, 2015

The Honorable Gina McCarthy
Administrator
U.S. Environmental Protection Agency
Attn: Docket ID No. EPA-HQ- OAR-2008-0699

Dear Administrator McCarthy:

On behalf of the investors of the Baton Rouge Area Chamber (BRAC) and the region's business community, we are again writing to express our significant concern regarding the proposed National Ambient Air Quality Standards (NAAQS) for ozone rule issued by the Environmental Protection Agency (EPA) on November 25, 2014.

The Baton Rouge Area Chamber continues to vehemently oppose the proposed reductions in ambient air quality standards from the current level of seventy-five parts per billion (ppb).

BRAC believes in and stands for cleaner air and environment. For roughly ten years, BRAC has hosted the Baton Rouge Clean Air Coalition, a group whose existence and work spans the past twenty-five years. These efforts were critical to the success of the Baton Rouge Area achieving ozone attainment.

Since the EPA first proposed lowering the 2008 ozone NAAQS (to be in the range of sixty-five to seventy ppb), the Baton Rouge Area has seen four major industrial projects totaling 2,000 direct and indirect jobs, and more than \$7 billion in capital investment either put on hold or go elsewhere. These losses are in direct correlation with the uncertainty created by the newly proposed ozone standards rule.

In 2014, BRAC worked with four specific chemical manufacturers that were investigating major investments in the region. This included two companies that executed purchase agreements on large industrial sites with intent to develop. Subsequently, all four of these companies indicated that the EPA's proposed new standards (and availability of emission reduction credits) influenced their decisions to look elsewhere or not proceed. The direct impact on the Baton Rouge Area, in terms of new payroll created from the projects themselves, would have been over \$86 million annually in wages for the local economy. This does not include any indirect or "spin-off" investment or payroll created. Because these projects will include foreign direct investment projects, they also represent new U.S. investment from multi-national corporations into our country. The



Baton Rouge Area Chamber®

564 Laurel Street
Baton Rouge, LA 70801
P 225.381.7125
F 225.336.4306
BRAC.ORG

U.S. policy on NAAQS is having a direct, negative effect on the U.S. goals for increasing foreign direct investment and exports.

Let me be very clear: These projects were put on hold or lost under the current scenario at the very mention of the proposed changes and the prospect of the region returning to non-attainment status due to the EPA's proposed lowering of ozone air quality standards to the sixty-five to seventy ppb range. The impact after actual implementation of such proposed rules would be severely detrimental to the Baton Rouge Area economy. The impact, even of the EPA proposing changes to the 2008 standards, has already likely cost the region over 2,000 direct and indirect jobs in the last year alone. Economic development professionals have projected that in the future, the Baton Rouge Area will not even be approached for these types of projects, much less compete for them. The same effect is happening to the U.S. as a whole, as these policies decrease foreign direct investment, exports and new manufacturing expansion.

Recently, the U.S. Bureau of Economic Analysis ranked Baton Rouge among the top ten of the nation's fastest-growing metro areas in terms of percentage gains in gross domestic product. Furthermore, *Business Facilities* listed Louisiana as having the fourth best business climate in the nation, second for economic potential, and Baton Rouge as the top metro area for economic growth potential in 2013.

On April 4, 2014, the Louisiana Department of Environmental Quality announced that the EPA determined that the Baton Rouge Area is currently attaining the 2008 eight-hour ozone standard. This determination was based on a recent review of air quality data from 2011-2013. The state has decreased ground-level ozone in Baton Rouge, which improved air quality and human health for the 800,000 plus residents. Preliminary air quality data for 2014 continues to show that the area meets the 2008 eight-hour ozone standard. Louisiana is now developing a plan to show how the five-parish area can maintain compliance with the ozone standard for the next ten years. Clean air is a priority for the state as a whole, and certainly for the Baton Rouge Area's business community. Economic development and environmental stewardship do not have to be mutually exclusive goals, and this region's businesses are committed to both.

The EPA has not even fully implemented its 2008 NAAQS standards across the nation but still proposes more stringent standards that could deeply ruin economic advantages for metropolitan regions like the Baton Rouge Area that are already in attainment. Per the aforementioned accolades, the Baton Rouge has been extremely successful in creating economic growth. The EPA has not yet identified strategies or developed a toolbox for regions to employ if standards are lowered, to help maintain or achieve economic development momentum while getting back into attainment. Without such a plan, regions across the country will suffer.



Baton Rouge Area Chamber®

564 Laurel Street
Baton Rouge, LA 70801
P 225.381.7125
F 225.336.4306
BRAC.ORG

It is our strong recommendation that the standard not be lowered from 75 ppb. Prior to implementing any future reductions to the ozone NAAQS, the EPA should investigate and create a “toolbox” for states and regions to use in creating new and innovative ways for achieving lower standards of emissions and implementing emissions control mechanisms. This could include a nationwide rule allowing inter-pollutant trading, inter-source trading, and even creating a blueprint for an emission reduction credit clearinghouse (to match up companies requiring emission reduction credits with potential projects that will achieve new offsets).

Lowering the standards to sixty-five to seventy ppb is one thing. Doing so without giving states and regions the tools or blueprints to achieve the lower standards, and create new offsets, is severely detrimental to the economic recovery that the country is now working to achieve. We strongly urge the EPA not to proceed with implementing any changes that include lowering of the ozone NAAQS at this time.

Sincerely,

Adam Knapp
President and CEO, Baton Rouge Area Chamber

CC: Louisiana Congressional Delegation, Dr. Holly Stallworth, EPA Regional Administrator Ron Curry