

https://www.uschamber.com/issue-brief/ozone-national-ambient-air-quality-standards

# Ozone National Ambient Air Quality Standards

Tuesday, August 8, 2017 - 9:00am

#### Introduction

The National Ambient Air Quality Standard (NAAQS) for **ground-level ozone** is an outdoor air regulation established by the U.S. Environmental Protection Agency (EPA) under the Clean Air Act. Ground-level ozone is a gas that occurs both naturally and forms due to chemical reactions between nitrogen oxides and volatile organic compounds, which are emitted from industrial facilities, power plants, vehicle exhaust, and chemical solvents.

In November 2014, the EPA proposed lowering the ozone standard from 75 parts per billion (ppb) to a range between 65 to 70. During the public comment period for the proposed rule, the Chamber, along with a wide range of industry groups, state and local chambers, state governments, and members of Congress, urged the EPA to retain the current 75 ppb standard. On October 1, 2015, under a court-ordered deadline, the EPA finalized the ozone NAAQS standard at 70 ppb.

#### See Below:

## <u>Problems with the New Standard | Legislative Solutions | State Ozone Forums</u>

### **Top News and Updates**

- July 19, 2017 U.S. House of Representatives passes <u>H.R. 806</u>, the Ozone Standards Implementation Act, by a vote of 229 - 199.
- July 18, 2017 U.S. Chamber sends <u>key vote letter</u> to House supporting passage of H.R. 806, the Ozone Standards Implementation Act. Also, a large group of trade associations, industry groups, and state and local chambers of commerce send a multi-association letter to Congress supporting H.R. 806 and S. 263, the Ozone Standards Implementation Act.
- December 23, 2015 <u>Chamber of Commerce, et al. v. EPA</u>. The U.S. Chamber of Commerce, joined by other business groups, filed a petition for review in the U.S. Court of Appeals for the D.C. Circuit challenging the EPA's rule lowering the ozone standard
- July 30, 2015 <u>List of 700 National, State, and Local Organizations and Stakeholders Supporting</u>
  Retention of Current Ozone Standard
- July 29, 2015 <u>Coalition Letter From 260 Chambers of Commerce and Trade Associations to POTUS and Congress Regarding Proposed Ozone Standard</u>
- July 28, 2015 <u>Letter from Bipartisan Group of 136 Members of Congress to EPA for Retaining Current</u>
  Ozone Standard
- March 17, 2015 <u>U.S. Chamber Multi-Association Comments to EPA on Ozone NAAQS Proposal</u>

Visit <u>HERE</u> to see an archive list of letters, comments, and  $\epsilon$  and local chambers, industry groups, and government e ozone standard.



# **Litigation Developments**

On December 23, 2015, the U.S. Chamber of Commerce, jo petition for review in the U.S. Court of Appeals for the D.C ozone standard. On October 26, 2015, five states filed a lay standard. Lead by Arizona, the other states include Arkansa Additional states subsequently filed challenges to the standa Texas. Murray Energy Co. also filed suit against the revised standard.

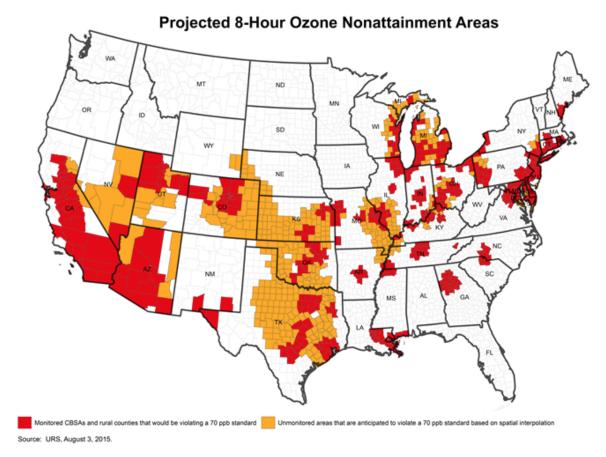


On April 11, 2017, the D.C. Circuit Court of Appeals granted EPA's motion to indefinitely stay a lawsuit over the 2015 ozone standard in order to provide the agency more time to review the rule. The EPA is required to file 90-day interval status reports to the court on the progress of its review.

#### **Problems with the New Standard**

## 1. Affects Significant Portion of the Country

The revised 70 ppb standard will cause significant portions c Compared to the previous 75 ppb standard, which had 28 areas classified as nonattainment, according to EPA data 241 counties violate the 70 ppb standard. Industry analysis projects a significantly higher number, with an estimated 958 counties falling into nonattainment under the 70 ppb standard. Counties and areas classified as nonattainment can suffer stringent penalties; including: (1) EPA overriding states on permitting decisions; (2) new facilities and major modifications having to install the most effective emission reduction technologies without consideration of cost; and (3) federally supported highway and transportation projects being suspended.

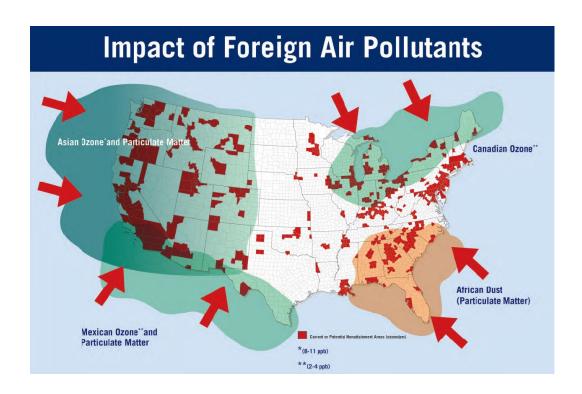


Projected 8-Hour Ozone Nonattainment Areas in U.S. under 70 ppb Standard API map on EnergyTomorrow.org

## 2. Issues with Implementation of Revised Standard

Although the 70 ppb ozone standard was finalized on October 1, 2015, the EPA has not issued accompanying implementation rules and guidance. While the Agency has stated that some guidance and rules from the previous standard remain applicable, major holes remain including lack of rulemaking to establish nonattainment classification thresholds and lack of guidance on naturally occurring background ozone, the

Exceptional Events rule for wildfires and other events that can influence ozone levels, and analysis of interstate drift or transport of ozone.



# 3. Potentially Skewed Cost Estimates of the Rule

In the Regulatory Impact Analysis released with the final rule, EPA estimated a cost of \$1.4 billion for the revised 70 ppb standard. However, a year prior in 2014, EPA estimated that a 70 ppb standard would cost \$3.9 billion. Going back to 2010, EPA projected that a 70 ppb standard would cost \$19 to 25 billion annually. Industry cost estimates have also differed drastically from Agency projections, EPA's cost estimates for a 60 ppb standard was as high as \$90 billion but industry projections placed the real cost at closer to \$1 trillion.

## **Legislative Solutions**

Besides legal action, which as mentioned above is being pursued, there are also avenues for progress through Congress. The Chamber has been supportive of legislation (such as the H.R. 806 and S. 263, the Ozone Standards Implementation Act) in both the House and Senate chambers suspending implementation of the new 70 ppb ozone standard, reforming the review period for NAAQS, and improving the rulemaking process to include consideration of feasability, cost, and additional information.

#### **State Ozone Forums**

In 2016, the National Black Chamber of Commerce, along with the U.S. Chamber of Commerce, hosted a series of ozone forums in several states titled, "The Impacts of Ozone Regulations on Jobs in Our Community." Each event was open to the public and featured state and local chambers, industry experts, and local leaders to discuss how proposed changes to national ozone standards could affect state economies and put local jobs at risk.

To see event materials, photos, and agendas please visit **HERE**.

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