

August 30, 2007

**Testimony of Jack M. Stewart, President, California Manufacturers & Technology Association to the US EPA Field Hearing in Los Angeles, California on proposed change to Ozone Standards**

Good morning, my name is Jack Stewart and I'm the President of the California Manufacturers and Technology Association (CMTA). CMTA is California's only statewide trade association representing manufactures and is comprised of 1,000 small, medium and large industrial companies located throughout the Golden State. I am also Chairman of the National Association of Manufacturers' (NAM) State Associations Group (SAG), an affiliate organization of state manufacturers associations representing 48 states.

I would like to start by echoing the comments made by others, in that we too support US EPA's on-going efforts to improve air quality throughout the nation, and I am proud to say the manufacturers I represent are doing their part to make the air cleaner here in California. I would also add that CMTA and our member companies frequently partner with the California Environmental Protection Agency (CalEPA), the California Air Resources Board (CARB) and the various air districts in California, including the South Coast Air Quality Management District here in Southern California, to find ways to achieve both cleaner air and a healthy economy to serve a population that grows by 500,000 citizens each year.

In just the past year, CMTA member companies have worked with the regulatory agencies I just mentioned to reduce emissions from oil storage tanks, to reduce diesel emissions, to reduce emissions at our ports, to advance fuel cell technology, to reduce freight train emissions and to improve the environmental quality in the San Joaquin Valley.

These examples are but a few of the many efforts on the part of CMTA companies to improve air quality and work toward attaining the current national ozone standard. In that regard, we believe it is inappropriate for US EPA to change the current ozone standard for the following reasons.

1. The current ozone standard is working: Based on EPA estimates, air quality throughout the nation has improved and, according to EPA's own data, total emissions of the six principle air pollutants have dropped 54%

since 1970 and the national average for ozone levels has decreased by 21% during the 1980-2006 timeframe.

Current federal and state initiatives will significantly reduce ozone-causing emissions over the next two decades. Existing regulations will result in emission reductions from power plants by 50 percent by 2015 and from cars and trucks by more than 70 percent by 2030.

2. Second, questions about the science used to justify lowering of the ozone standard suggest that the Environmental Protection Agency may be proposing regulations that could harm the economy without clearly demonstrated environmental and/or public health benefits. I would note the recent Adams study which indicates there may be little or no public health advantage to lowering the ozone standard below the current .08 ppm level.
3. Finally, I would like to address the potential economic impact of a further ozone standard reduction. EPA estimates that meeting current clean air mandates will cost the nation \$27 billion annually with a cumulative cost of more than \$180 billion. The increased costs to implement the proposed standard will add another \$10-22 billion in annual costs, making it more difficult for manufacturers to remain competitive in the United States.

A term I learned during California's global warming debate is "leakage," or the inadvertent act of moving jobs and their related emissions from one geographic region to another due to increased regulatory costs. If the cost of complying with a lower ozone standard causes U.S. manufacturers to move industrial operations to less costly, less regulated locations in such places as Mexico, South America or Asia, then we have succeeded only in doing harm to our economy while transferring emissions to another region of the world.

To put it simply, the current standards are working. Improvements in air quality have and continue to occur. For the reasons I have mentioned it is not appropriate at this time to change the national ozone standard, doing so would in effect be moving the goal posts in the middle of the game.

I appreciate the opportunity to provide these comments.