

Ozone Facts:

The Case for Halting New Ozone Regulations

In November 2014, the U.S. Environmental Protection Agency proposed new regulations to tighten the standards for Ozone by up to 20 percent by October 1, 2015. The expected cost to American businesses and our economy is projected to be more than \$140 billion. That's why it's critically important that any revisions be grounded in common sense and hard science, with zero guesswork. Unfortunately, the new regulations meet neither of these requirements – while simultaneously placing a crippling financial burden on the American economy.



1 Astronomical Cost

EPA tried to push through lower ozone standards in 2011, but was rebuffed by the [White House](#) during an election year, in part because the Ozone proposals were correctly being described as the ["most expensive regulation in history."](#)

National Cost: [According to EPA](#), its ozone rule could cost Americans up to \$15 billion annually. However, a study by National Economic Research Associates (NERA), an international consultancy, finds the new rules [would cost \\$140 billion annually](#). Put another way, every year, the US economy would be losing the [GDP of Nevada](#) on an annual basis. NERA's estimate is 10 times higher than EPA's because NERA actually attempted to estimate unknown costs for mandatory technology that does not currently exist, [while EPA assigns an arbitrary and unrealistic number for unknown cost](#).

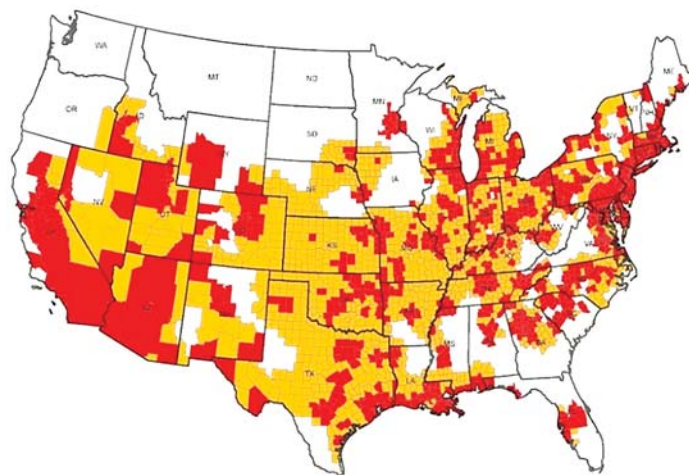
Cost per Person: According to NERA's study, EPA's Ozone rule would cost [each American household \\$830 per year](#) in the form of lost consumption.

Non-Attainment Costs: States have already [worked extremely hard](#) to cut their ozone levels with great success. The low-hanging fruit has already been picked, so any further reductions will be extremely challenging to meet. Indeed, in some localities, [especially in the Western United States](#), the new standards are approaching background levels of ozone – in other words, [the level that occurs due to factors beyond local control](#).

Because the new regulations are extremely difficult to reach, much of the country would be categorized as a ["non-attainment" area](#) and would consequently be deemed out of compliance.

When a region is designated as non-attainment, it faces a very real economic penalty. Businesses will face permitting delays, holding up new investment and development, and meaningful restrictions can be placed on industrial expansion. A non-attainment designation also impacts transportation planning, holding up highway expansion projects and the development of new roads. [There are also increased costs to businesses and consumers](#) from [non-attainment](#) due to special requirements for vehicles, fuels sold in the area, and for commercial and consumer products.

National Parks Fall Into Non-Attainment: Research by the American Action Forum found that 100 national and state parks might not meet EPA's standards of 60-70 ppb. While far from transportation corridors and centers of heavy pollution, Death Valley National Park, Sequoia National Park, Big Bend National Park and Cape Cod National Seashore all have ozone readings of 71 to 87 ppb. In fact, practically all of the United States [would be in non-attainment at 60 ppb](#).



■ Monitored CBSAs and rural counties that would be violating a 65 ppb standard
■ Unmonitored areas that are anticipated to violate a 65 ppb standard based on spatial interpolation

Source: American Petroleum Institute

2 Uncertain Science

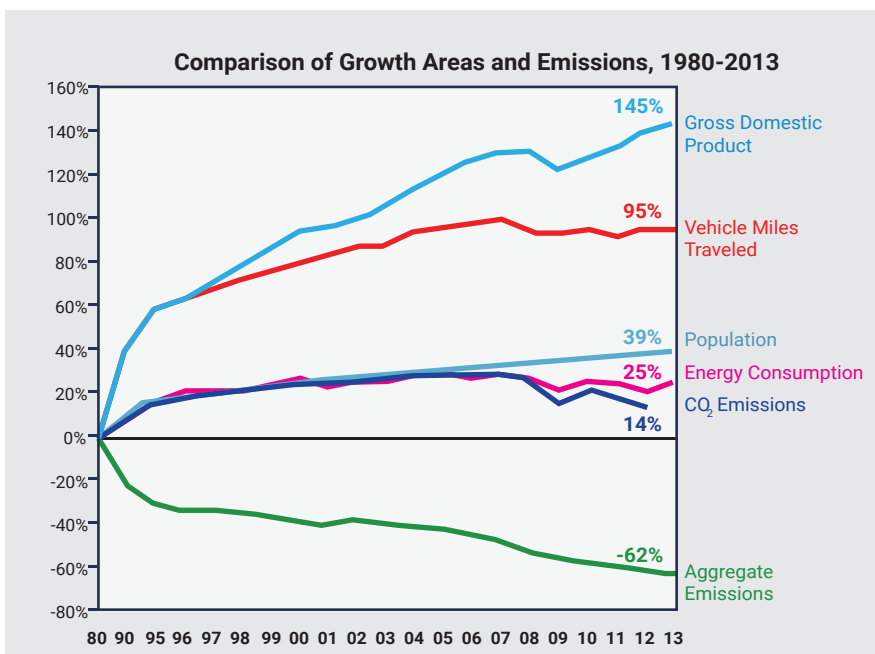
Given these high costs and the injurious economic and health impacts, it is essential that the science justifying the stringent standard be rock solid. However, it is not. There continues to be a number of unanswered questions about the science supporting EPA's regulation, and the benefits they claim.

Air quality is good and is getting better: According to the EPA's own data, efforts across industry have resulted in ozone-forming emissions [being cut in half since 1980](#) – and they are expected to drop by another 36 percent in the next few years.

This is also true for the total emissions of the six principal air pollutants, including ozone, which have dropped by 62 percent.

Asthma Rates Increasing, While Ozone is Decreasing: But while Ozone has been decreasing, asthma rates have been increasing. Moreover, [Figures](#) from the National Center for Health Statistics show that between 2001 and 2010 the number of people with asthma in the U.S. increased from 7.3% to 8.4% – an extra 3.4 million sufferers in the space of a decade.

However, this increase has occurred *while* ozone levels have been declining. [According to Dr. Michael Honeycutt](#), toxicologist for Texas Commission on Environmental Quality, "if asthma were actually tied to ozone, you would expect to see the instances of asthma decreasing, not increasing. In fact, data from Texas hospitals show that asthma admissions are actually highest in the winter, when ozone levels are the lowest."



Source: National Center for Health Statistics

Correlation Does Not Imply Causation: Looking at this divergence between expected and actual outcome, it appears that EPA is ignoring more than a decade of evidence showing no link between ozone reductions and asthma cases.

Interestingly, EPA even admits that its own analysis "[is convenient for fitting the model, but is not accurate.](#)" Moreover, sophisticated statistical tests designed to detect potential causal impacts of lower ozone on asthma rates have likewise [come up empty](#), showing that earlier modeling that suggested a causal relation cannot be sustained.

Additionally, [researchers at the National Institute of Statistical Sciences](#) concluded that there is no evidence of an increase in acute deaths due to either fine particle matter or ozone in Southern California. Moreover, [a study of hospital admission records](#) in central California reported that average ground-level ozone and fine particulate matter measurements were not correlated with patient admissions for asthma at the UC-Davis Medical Center.

Unfortunately, EPA is planning to burden Americans with astronomical compliance costs, while the science justifying such a dramatic step is unsettled at best.