

Reconsideration of the 2008 Ozone NAAQS

Public Hearing

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Testimony of

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Good morning. I am Ted Steichen, a Policy Advisor at API. API is the primary trade association for the oil and gas industry, with about 400 members, and as you all know, we've been very active in the NAAQS process through the years.

Today, I will make three points. First, the oil and gas industry is helping make the air cleaner today and in the future. Second, there is actually far more debate on the science than EPA has represented. And third, the proposed new standards may impose real costs on real people without commensurate benefit.

Thanks to implementation of the Clean Air Act, our air quality has demonstrably improved. . Since 1990, the oil and gas industry has invested more than \$175 billion -- that's billion, with a capital "B," -- towards improving the environmental performance of its products, facilities, and operations. Approximately 57 percent of the industry's \$14 billion environmental expenditures in 2007 targeted air pollution abatement, either meeting or surpassing the requirements of the Clean Air Act. We've put in place cleaner gasoline and cleaner diesel, and these fuels, along with cleaner equipment, cleaner cars, trucks, and buses are leading to, and will continue to lead to, cleaner air. We've also worked with local and state governments to reduce the emissions from our facilities.

EPA's trends data (my Figure 1) show that the emissions from six criteria air pollutants dropped by 60 percent between 1970 and 2008, while vehicle miles traveled (VMT) went up 163 percent. This is an impressive accomplishment matched by progress in other areas. According to EPA's Toxics Release Inventory (TRI), since 1988 releases and transfers of toxic chemicals from the petroleum industry have decreased by 68 percent. Equally important, regulations and standards already in place will assure further progress. Refineries across the nation implemented new processes designed to dramatically reduce the presence of sulfur in gasoline and diesel. These cleaner fuels, along with cleaner cars, buses, trucks, and non-road equipment will produce significant continuing air quality improvements. .

Amplifying this progress, cars and trucks will be 77-95% cleaner than those produced before 2004. The annual emission reductions from the use of Ultra Low Sulfur Diesel with cleaner technology engines will be equivalent to removing the pollution from more than 90% of today's trucks and buses by 2030.

On to my second point; as Dr. Prueitt of Gradient explained earlier this morning, after careful review of the science, she has determined that the studies relied on by EPA for this proposal do not support a lowering of the ozone standard. At the time of the 2008 rulemaking, it was clear that there were many issues with these studies, and those issues remain.

Moving to my third, and last, point, a more stringent ozone standard will burden the States with a new and more difficult target before they complete work and implement attainment plans for the current standard. To cite a football analogy, EPA is effectively proposing to move the goalposts in the middle of the game. Many local communities will be saddled with new costs that will hurt both large and small businesses and prevent expansion and growth. Fuels that cost more to manufacture would be required in more areas. Jobs will unnecessarily be lost.

In summary, this proposal lacks scientific justification for the reasons outlined by Dr. Prueitt, and that variability and uncertainty provide ample justification for the Administrator to adopt a policy *not* to tighten the ozone standards now. This reconsideration is obviously a political, not a scientific act. If there is no demonstrable benefit from this proposal, then moving forward could mean unnecessary energy cost increases, job losses and less domestic oil and natural gas development and energy security. This would impact citizens while they are still suffering from a severe recession, in the very communities where we need to be creating jobs.

Without a clear certain scientific basis for selecting a different numeric standard, the ozone standard need not be changed now. We urge the Administrator not to pursue this proposal.

Figure 1. Comparison of Growth Areas and Emissions, 1970-2008

