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H.R. 806, OZONE STANDARDS IMPLEMENTATION ACT OF 2017

WEDNESDAY, MARCH 22, 2017

House of Representatives,

Subcommittee on Environment,

Committee on Energy and Commerce

Washington, D.C.

The subcommittee met, pursuant to call, at 10:00 a.m., in Room 2123 Rayburn House Office Building, Hon. John Shimkus [chairman of the subcommittee] presiding.

Present: Representatives Shimkus, McKinley, Blackburn, Harper, Olson, Johnson, Flores, Hudson, Walberg, Carter, Tonko, Ruiz, Peters, Green, McNerney, Cardenas, and Matsui.

Staff present: Grace Appelbe, Legislative Clerk, Energy/Environment; Wyatt Ellertson, Research Associate, Energy/Environment; Blair Ellis, Digital Coordinator/Press

Secretary; Tom Hassenboehler, Chief Counsel, Energy/Environment; A.T. Johnston, Senior Policy Advisor, Energy; Ben Lieberman, Senior Counsel, Energy; Katie McKeough, Press Assistant; Alex Miller, Video Production Aide and Press Assistant; Annelise Rickert, Counsel, Energy; Chris Sarley, Policy Coordinator, Environment; Dan Schneider, Press Secretary; Peter Spencer, Professional Staff Member, Energy; Jeff Carroll, Minority Staff Director; David Cwiertney, Minority Energy/Environment Fellow; Jean Fruci, Minority Energy and Environment Policy Advisor; Caitlin Haberman, Minority Professional Staff Member; Rick Kessler, Minority Senior Advisor and Staff Director, Energy and Environment; and Alexander Ratner, Minority Policy Analyst.

Mr. Shimkus. The Subcommittee on the Environment will now come to order. The Chair now recognizes himself for five minutes for an opening statement.

During this legislative hearing we will consider H.R. 806, the Ozone Standards and Implementation Act of 2017. Mr. Olson reintroduced this bipartisan bill this past February after its development through the committee process and passage in the House in the 114th Congress as H.R. 4775. And we thank Mr. Olson, as well as Mr. Flores, Mr. Latta, and a guy named Mr. Scalise for the particular leadership and thoughtful contributions to the previous bill and what is now H.R. 806.

The Ozone Standards and Implementation Act makes practical reforms to the Clean Air Act to streamline implementation of national air quality standards by the state and local authorities. These reforms seek to improve the states' ability to meet the new ozone and other air quality standards without undermining efforts to ensure and promote the productive capacity of their citizens.

The bill reflects what we have learned from a record developed over a number of hearings and extending back to the committee's Clean Air Act reforms in 2012. An important lesson from this record is that timelines and procedures established almost 30 years ago can be counterproductive today. The result is unnecessary costs, duplicative efforts, regulatory delay, and economic uncertainty.

The 2015 ozone standards provide a case in point. In October 2015, EPA established a new ground-level ozone standard of 70 parts per billion, down from 75 parts per billion established seven years earlier in 2008. The practical problem is that EPA had only issued implementation regulations for the 2008 standard six months earlier, in March 2015. So just as states were implementing measures for one standard, they would now have to divert resources to implement measures for another standard for the same criteria pollutant. Yet EPA projected that the majority of areas that may be subject to the new standards would come into compliance with those standards under existing rules and programs.

It does not make sense why these areas should be subject to new, long-term compliance and reporting regimes that they would avoid if allowed to let existing measures work. But this cannot happen under the tight timelines that were established almost 30 years ago when air quality was much worse and emission controls were just beginning to take hold.

Add up the many other compliance deadlines for other EPA regulations, related litigation, the rapid pace of new rules, and you can see how this process hinders the ability of states to establish orderly plans and predictable permitting regimes.

As a result, state and local regulators expend resources and time keeping up with a never-ending succession of rules. This

undermines their ability to focus on assessing the performance of existing public health measures. It also undermines their ability to ensure predictability so that people can build and expand their business and infrastructure.

H.R. 806 makes some reasonable changes to update the Clean Air Act requirements to address these problems. For example, the bill phases in implementation of the 2008 and 2015 ozone standards, extending the date for final designations for the latter standards to 2025, and aligns permitting requirements with this phased implementation schedule.

It also provides reasonable timing for mandatory reviews of air quality standards by extending the requirement to 10 years, while preserving the EPA Administrator's discretion to issue revised standards earlier, if necessary. This falls in line with the Clean Air Act's cornerstone "cooperative federalism" approach which mandates that EPA establish the NAAQS, but leaves the task of deciding how to achieve them largely to the states.

It requires timely issuance of implementation regulations by EPA to reduce the uncertainty that the states face when developing their implementation plans. The bill also authorizes the Administrator, under certain and appropriate circumstances, to take account of technical feasibility when determining where to set emission levels that scientists advise are fully protective of public health.

Other steps the bill takes help ensure states and localities are not penalized for emissions and air quality events they cannot control.

With that, let me welcome our witnesses, five of whom bring the state and local perspectives that we have focused upon throughout this process. They represent California, Maine, Wyoming, and Kentucky, regions that often confront different types of implementation challenges. We will also hear from the representative of the American Thoracic Society.

Let me note for the record that we invited EPA to the hearing. And while the agency was unable to provide a witness today, we expect to receive written comments on the bill in time.

I think all our witnesses will agree that our ultimate goal is to ensure air quality is protective of public health. Of course, the key to that objective is to ensure that we have laws that effectively facilitate standards for implementation. That is what this bill aims to do.

And with that, my time has expired. The Chair now recognizes the Ranking Member Mr. Tonko from New York.

Mr. Tonko. Thank you, Mr. Chair.

We have examined similar iterations of this legislation in the past. So it should not surprise any of my colleagues to hear me once again say that protecting public health and growing the economy are not mutually exclusive.

The history of the Clean Air Act and the National Ambient Air Quality Standards, or NAAQS, has clearly demonstrated that. Since its enactment, the Clean Air Act has reduced key air pollutants by roughly 70 percent while the economy has more than tripled. I have yet to see any evidence of that trend reversing.

I want to thank our witnesses for being here. I especially want to thank Dr. Boushey, certainly, who is testifying on behalf of the American Thoracic Society. It is important for us to remember why the Clean Air Act was passed in the first place: to protect public health.

According to a peer-reviewed 2011 EPA study, in 2010 alone the Clean Air Act prevented over 160,000 premature deaths, 130,000 cases of heart disease, 1.7 million asthma attacks, and millions of respiratory illnesses. Healthier people means fewer sick days, hospital visits, and premature deaths, all which lead to a more productive society. The science is clear: breathing air that contains ozone can cause serious health effects.

Cleaning our air is not always easy, but the benefits far outweigh the costs. And history has shown that meeting these health-protective standards is achievable.

This bill, as currently drafted, includes a number of provisions that would seriously undermine EPA's ability to create and implement health-protective standards, and not just for ozone but for all NAAQS. It would delay implementation of the 2015

ozone standard significantly, extend the review cycle for all NAAQS from five to ten years, and add consideration of technological feasability into the standard-setting process.

We all want states and EPA to work cooperatively under a framework that gives states flexibility on meeting these targets. But we cannot deny the critical role that the Federal Government must play in reducing air pollution.

I am from a downwind state, and whether it is smog, particulate matter, or acid rain, we know air pollutants do not respect state lines. For years we have been asking EPA to do more with less. This bill continues that. I am not opposed to asking for studies and trying to better understand our nation's air quality challenges, but we cannot expect these studies to be done without additional funding.

I would be remiss not to mention the President's proposed budget which seeks to cut EPA by 31 percent, and includes even great percentage cuts to categorical grants. We must assume state and local air quality management grants and other programs that improve our air quality will not be immune from these cuts.

Solving our nation's long-term air quality issues is going to take innovation. I believe in America's ingenuity. It can be done. But it will be a lot easier if we support these efforts with federal investments. Investments in electric vehicles and cleaner trucks are just a few examples that would make a big

difference.

I look forward to hearing from our witnesses today on how we can achieve our common goal of making our air cleaner for generations to come.

And with that, Mr. Chair, I will yield my remaining time to the gentleman from California, Representative McNerney.

Mr. McNerney. Well, I thank the gentleman from New York for yielding.

It is a privilege to represent the northern part of the San Joaquin Valley, one of the most productive agricultural regions in the world, and home to manufacturing and renewable energy production. However, this region and its residents have suffered from some of the worst air quality in the nation. This means missed school and missed work. It means premature deaths, has a negative impact on the economy, and the long-term public health.

We are fortunate to have the dedicated folks in the San Joaquin Air Pollution Control District and the California Air Resources Board who have done a tremendous job in improving air quality in the last several years. The valley, however, still faces significant challenges as the Valley Air District has testified in previous years. The valley's geography will always make combating air pollution an uphill battle. But the Clean Air Act has been an effective tool to improve air quality.

Unfortunately, the bill before us today weakens the Clean

Air Act. Improving our air, or even keeping the gains we have made, will be even more challenging if this bill were combined with the President's budget targeting the EPA's air shed grants and DERA grants that have been vital for our region. These are all steps backwards when we have made tremendous progress.

I appreciate the CARB and the Air Valley District with the work you do on a daily basis.

And I yield back the mountainous time that I still have remaining. Thank you, Mr. Chairman.

Mr. Tonko. And I yield back, Mr. Chair.

Mr. Shimkus. The gentleman yields back his time.

The Chair now recognizes the subcommittee chairman of the Telecommunications Subcommittee, Mrs. Blackburn, for five minutes.

Mrs. Blackburn. Thank you, Mr. Chairman.

I am from Tennessee.

Mr. Shimkus. I think you might check.

Mrs. Blackburn. My mic is not on? Yes, there you go. Now you all can hear me. If I put my chief mama in charge voice on you could really hear me. And it is getting those kids in gear.

Anyway, this is an issue that affects us and affects a lot of our counties. And the NAAQS standards are something that has been of concern. I am appreciative to Mr. Olson for the bill and for going about looking at this.

I will tell you, and one of the things I want to talk with you all about, we know from the EPA that the technology that is necessary for some of these standards to be in place, you know, it doesn't even exist yet. And so this concerns us because it makes long-term planning and budgeting very difficult. So sometimes I look at what was pushed forward with the finalization of the NAAQS standards and the ozone standards and I just think, you know, we kind of got the cart before the horse.

And while, as I repeatedly say, we are all for clean air, we are all for clean water, what we want to do is make certain that there is the ability to plan for and to meet the standards that are on the books, and that we can do things in a technologically feasible and cost-effective manner.

So we thank you for being here and for your attention to the issue. And, Mr. Chairman, I yield back.

Mr. Shimkus. The gentlelady yields back the time.

Without objection, we will hold the ranking member's five minutes if he is able to attend. And with that, we will now turn to our panel. And I will recognize you as you speak. Your full testimony is submitted in the record.

You will have five minutes. Important issue, you can go over a little it. If you go over a minute-and-a-half or two minutes, then we will probably try to get your attention. And it is a big panel, so we want to get to questions.

So first up is Mr. Sean Alteri, Director of the Division of Air Quality at the Kentucky Department of Environmental Protection. We are glad to have you, sir. You are recognized for five minutes.

STATEMENTS OF SEAN ALTERI, DIRECTOR, DIVISION OF AIR QUALITY, KENTUCKY DEPARTMENT OF ENVIRONMENTAL PROTECTION; MARK CONE, DIRECTOR, BUREAU OF AIR QUALITY, MAINE DEPARTMENT OF ENVIRONMENTAL PROTECTION; KURT KARPEROS, PE, DEPUTY EXECUTIVE OFFICER, CALIFORNIA AIR RESOURCES BOARD; NANCY VEHR, AIR QUALITY ADMINISTRATOR, WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY; HOMER A. BOUSHEY, M.D., PROFESSOR OF MEDICINE, DIVISION OF PULMONARY/CRITICAL CARE MEDICINE, UNIVERSITY OF CALIFORNIA, SAN FRANCISCO; SEYED SADREDIN, EXECUTIVE DIRECTOR/AIR POLLUTION CONTROL OFFICER, SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT

STATEMENT OF SEAN ALTERI

Mr. Alteri. Thank you, Chairman.

Good morning, Chair Shimkus, Ranking Member Tonko, and members of the subcommittee. My name is Sean Alteri, and I currently serve as the Director for the Division of Air Quality in Kentucky. I am honored to testify today and I thank you for the opportunity to tell you about our commonwealth and share some good information about our commonwealth.

In addition to my work with the Kentucky Division for Air Quality, I am currently serving as the President of the Association of Air Pollution Control Agencies. Our association is a national non-partisan, consensus-driven organization

focused on improving air quality. The association represents more than 40 state and local air quality control agencies, and more than 20 environmental senior officials from state environmental agencies serve on its board of directors.

Regarding today's hearing, I appreciate the thoughtfulness and consideration that went into the drafting of H.R. 806. The bill's intent to facilitate efficient state implementation of ground-level ozone standards is a welcome opportunity for state and local air quality regulators. H.R. 806 is supported by leaders of air pollution control agencies. The strategic approach to modernizing the Clean Air Act is necessary and appropriate.

There are three elements of the bill that deserve emphasis. First, the proposed amendments establish a more reasonable time interval for area designations and revised NAAQS and provides EPA and state air pollution control officials with sufficient time to meet its statutory obligations.

Additionally, H.R. 806 requires the study and report of international pollution and its impacts on air quality.

And, finally, H.R. 806 will also obligate EPA and NOAA to conduct a study to determine regional background of naturally-occurring concentrations of volatile organic compounds and nitrogen oxides from vegetation.

These studies will provide the necessary information for

state and local air pollution control officials to develop cost-effective air pollution control strategies.

With respect to the periodic review of criteria pollutants, H.R. 806 modernizes the statutory clock to reflect the significant improvements that have been made in air quality. Section 3 of H.R. 806 provides for a more practical and attainable 10-year interval for the review and potential revision of air quality standards. Moving forward, this time period will be essential to achieve the most difficult, the most expensive remaining increments of air quality improvement.

In fact, the time frames and processes detailed in H.R. 806 are consistent with those that EPA has most recently employed to designate areas with respect to the 2010 SO2 standard. Although the sulfur dioxide standard was revised in 2010, the court order resulting from the consent decree negotiated between EPA and third party interest groups sets the schedule for EPA to complete all area designations by December 31, 2020, 10 years after the NAAQS requires. Given the court's decision, the 10-year interval for designation time frame expressed in H.R. 806 is consistent with EPA's approach to the 2010 SO2 standard.

As a Director for the Division for Air Quality, I am responsible for carrying out the Clean Air Act congressional declaration of purpose, that is, "To insure that economic growth will occur in a manner consistent with the preservation of clean

air resources."

In Kentucky, we have a strong manufacturing economy that is robust and growing. Many of the products that are manufactured in Kentucky are essential to our national security and economy. For example, Kentucky produces military-grade aluminum and steel to protect our soldiers and to provide them with the resources to carry out their missions. We are a world leader in the aerospace industry and are currently the third largest automobile manufacturer in the United States. We are home to Toyota, Ford, and General Motors.

We melt, cast, and mold more than 50 percent of the aluminum produced in the United States and more than 35 percent of the nation's stainless steel. Currently, two of the four remaining primary aluminum facilities operate in the commonwealth. And, not to be forgotten, 95 percent of the world's bourbon is distilled in Kentucky. Simply put, Kentucky makes the things that enables other states in the nation to grow their economies and improve their quality of life.

In closing, state and local permitting authorities must be provided with regulatory certainty throughout the permitting process of new, modified, and reconstructed sources -- stationary sources. The regulatory certainty is necessary to carry out our statutory obligations, which includes providing for economic growth. The reasonable amendments proposed in H.R. 806 will

further enable all of our states to continue to grow our economy, enhance our quality of life, and improve our air quality.

Again, thank you for the opportunity to comment on H.R. 806, and I look forward to any questions you may have regarding my testimony.

[The prepared statement of Sean Alteri follows:]

**********INSERT 1**********

Mr. Shimkus. Thank you very much.

Now I would like to turn to Mr. Marc Cone, Professional Engineer, Director of the Bureau of Air Quality at the Maine Department of Environmental Protection.

Sir, you are recognized for five minutes. Welcome.

STATEMENT OF MARC CONE

Mr. Cone. Thank you, Chairman Shimkus, Ranking Member Tonko, and members of the subcommittee. I am Marc Cone, Director of the Bureau of Air Quality with Maine Department of Environmental Protection. With over 30 years of experience working on Clean Air Act issues, I am here to speak in support of H.R. 806. Thank you for inviting me to speak.

Maine benefits from clean air and pristine waters and supports environmental protection. Strong national implementation of the Clean Air Act requirements benefits Maine, people of Main more than most because much of the pollution of our air comes from areas downwind of us. Emissions data, ambient monitoring data, and meteorological data irrefutably show that short and long range transport of air pollutants to Maine from other states and nations all affect Maine's air quality.

The Clean Air Act has been successful in reducing significant amounts of air pollution, but today the act is inefficient. Maine is supportive of the Environmental Protection Agency implementing the Clean Air Act in an efficient manner and as expeditiously as practical. When the Clean Air Act was in its infancy, the five years between reevaluations of standards may have made sense, but now it seems to be a pragmatic problem.

When the requirements to review ambient standards was new,

the five years may have been effective due to less complicated and less costly controls, allowing timelier progress. Unfortunately, the reality today has been that EPA has failed to accomplish implementing new standards in a five year time frame. The current time frame has created uncertainty for facilities and for state and local regulating agencies.

It is both difficult and frustrating to fully understand regulatory requirements, explore options, plan, contract work, implement, and measure the results of changes intended to maintain ambient air quality standards when the target is redefined on an erratic schedule and guidance for implementation of any new standard is not provided at the same time the standard is set.

It is complicated. A standard without an implementation strategy is like giving someone a destination without a map. You can probably get there, but it is going to take some time and effort. Currently, the system does not work and it is now an excellent time to consider changes.

Today, for a new standard EPA needs to propose, consider comments, finalize, defend legal challenges, develop implementation rules, and work with states on these plans. They must accomplish this all before evaluating the standard again. This is quite a challenge, which has been reflected in the latest standards.

EPA promulgated an ozone standard to replace the 1997 ozone

standard 11 years later, in 2008. The EPA did not issue the implementation regulation for the 2008 standard until 2015, seven years after the promulgation of the standard. Just months after the 2015 implementation regulation was issued for the 2008 standard, EPA promulgated a new ozone standard.

Even now, the latest data suggests that some areas in the ozone transport region are not attaining the 1997 standard, not to mention the 2008 and 2015 standard. The reality is that when a standard is set, EPA needs to issue an implementation strategy for that standard at the same time.

The latest sulfur dioxide standard was promulgated in 2010. The 2010 standard provides a new level of complexity to implement, as EPA had significant time to develop implementation requirements that came out in 2015. Depending on a state's plan, the final assessment of the 2010 sulfur dioxide standard will not occur until approximately ten years after it was put in place. Again, the proposal in H.R. 806 seems a practical response to reality.

The PM2.5 standard has also been a complicated process. In 1997, EPA promulgated the first PM2.5 standard. The implementation has been very confusing and a technically challenging process.

In summary, the implementation of this standard to date continues to create regulatory uncertainty. A 10-year time frame

for some standards may still not be enough for EPA to overcome the technical challenges of a standard.

In conclusion, a standard without an implementation strategy will not protect citizens. The challenges and uncertainty of the 1997 ozone and particulate matter standard continue 20 years after their promulgation. The changes, as proposed in H.R. 806, to delay final designations under the 2015 standard until 2025, and to extend the time frame for standards review from every five years to every ten years, including concurrently-published, clearly-defined implementing regulations, would allow for due process to be followed and fulfilled. This would more effectively and efficiently utilize federal, state, and individual facility resources to establish a standard and work for the improvement of air quality and protection of the people of our nation.

Thank you for allowing me to speak today. And I welcome any questions you may have.

[The prepared statement of Marc Cone follows:]

**********INSERT 2**********

Mr. Shimkus. Thank you very much.

The Chair now recognizes Mr. Kurt Karperos, Deputy Executive Officer of the California Air Resources Board. Welcome and you are recognized for give minutes.

STATEMENT OF KURT KARPEROS, PE

Mr. Karperos. Good morning, Chairman Shimkus, Ranking Member Tonko, and members of the committee. My name is Kurt Karperos. I am Deputy Executive Officer of the California Air Resource Board. Thank you for the opportunity to speak with you today.

The Air Resources Board is the California agency responsible for implementing the Clean Air Act in all areas of the state. I oversee that responsibility, including meeting federal air quality standards in the areas with the most persistent pollution, the greater Los Angeles area, that we refer to as the South Coast, and the San Joaquin Valley. These two regions pose the nation's greatest challenge in meeting the ozone standard and ensuring the residents breathe healthful air.

It is from that perspective that I want to cover three points in my testimony today.

First, meeting health-based, health-protective standards for air quality is achievable.

Second, economic growth and development while cleaning the air is not only possible, in California it is a reality.

And, third, weakening the Clean Air Act, as H.R. 806 would do, is unnecessary and will harm the health and well-being of millions of people.

Nearly half of California's 38 million residents live in

regions with pollution levels that exceed the 70 parts per billion ozone standard. Of those, almost five million are children, with nearly one-half million suffering from asthma.

California supported EPA's use of the most current and robust scientific studies to set health-protective ozone standards because reaching this standard would reduce premature mortality, emergency room visits for asthma, hospitalizations, and lost work and school days.

Simply put, meeting the ozone standard is a public health imperative.

California has a long and successful history of meeting health-protective, science-based standards. Of California's 19 areas that once exceeded either the 1-Hour Ozone Standard or the original 8-Hour Ozone Standard, only four exceed those standards today.

The San Joaquin Valley has made significant process. This extreme non-attainment area now meets the 1-Hour Ozone Standard. It is on track to meet the 80 parts per billion ozone standard. And last summer, San Joaquin Valley leaders adopted a plan to meet the 75 parts per billion ozone standard by the Clean Air Act's deadline of 2031.

The South Coast is more challenging, but progress there is also remarkable. The region once measured 1-hour ozone values above the standard on over 200 days per year. Today it has dropped

to less than 20. Similarly, the number of days over the 8-hour standard have been cut in half since 1990.

At the same time we have been cleaning the air, California's economy has continued to grow and prosper. Last year, California's economy grew to be the world's sixth largest. In 2016, California non-farm employment increased by 2.6 percent, compared to 1.7 percent nationwide.

In 2009, the California clean energy industry generated $27 billion and employed 123,000 people. By 2020, we expect it to grow to over $140 billion with 345,000 employed.

Looking forward, EPA estimates that achieving the 70 parts per billion ozone standard would save Californians an estimated $0.4 to $1.4 billion per year when accounting for both the costs of reducing emissions and the avoided costs of healthcare, lost work days and low productivity, and other pollution impacts.

With its science-based, health-protective air quality standards, its meaningful deadlines, and its requirements for comprehensive plans, the Clean Air Act has been California's tool for achieving air quality and economic success. The Clean Air Act requires comprehensive planning. H.R. 806 would delay planning and increase costs in the long term.

Today's testimony is timely, as tomorrow the California Air Resources Board will consider a plan that will not only provide the reductions needed to meet the 75 parts per billion standard

in 2031, it will also provide the initial reductions needed for the new 75 parts per billion standard in 2037. Rather than delay and wait, California's solution is to move forward.

California has used the flexibility in the Act to drive innovation. Electric cars are the prime example. The next step is cleaner trucks. California has already certified a truck that has 90 percent fewer emissions than those on the road today. The needed technologies are here now.

California's success is proof that H.R. 806 is unnecessary. It would inappropriately insert control costs into EPA's science-based process for setting air quality standards. How healthful the air is to breathe is not determined by the cost to clean it up. It is a question of science and what air pollution does to the human body.

H.R. 806 would mean more people would breathe dirty air longer. It would unwisely mandate that we ignore the pollution impacts of weather conditions made worse by man-made climate change. It would push off deadlines, erode requirements for incremental progress, and undermine the Clean Air Act's requirements for comprehensive air quality strategies.

In closing, let me stress that meeting health-protective standards is both achievable and cost-effective. The Clean Air Act provides the flexibility to do this.

Setting healthful air against economic prosperity is a false

choice. California continues to show that clean air and economic growth go hand-in-hand.

And, finally, delaying the standards will harm the health and well-being of millions of people in this country. The San Joaquin Valley, in particular, is home to high rates of poverty, pollution, and asthma. It is especially critical to continue progress in that region.

And in the end, the economic costs and the human cost of polluted air far exceed the costs of cleanup.

Thank you for the opportunity to speak with you. And I look forward to your questions.

[The prepared statement of Kurt Karperos, PE follows:]

**********INSERT 3**********

Mr. Shimkus. The gentleman's time has expired.

The Chair now recognizes Ms. Nancy Vehr, Air Quality Administrator at the Wyoming Department of Environmental Quality. You are recognized for five minutes. Thank you for joining us.

STATEMENT OF NANCY VEHR

Ms. Vehr. Good morning, Chairman, Ranking Member, and members of the committee. Thank you for inviting Wyoming to testify.

Before I discuss ozone, I want to share three facts to help you understand Wyoming's perspective.

First, Wyoming is the ninth largest state and has the smallest population of any state in the nation.

Second, Wyoming is second in the nation in mean elevation, with Colorado being the highest.

Finally, Wyoming is blessed with amazing and abundant natural resources that provide our nation, state, and our citizens with revenue and jobs. We are proud that we protect our natural resources and provide for responsible energy production.

I am going to address five points. My first point is wintertime ozone in Wyoming. Our first ozone exceedence came in the winter of 2005 in a high-elevation, rural part of the state, in an area with abundant oil and gas production. Roughly 10,000 people live there. It is surrounded by mountain ranges on three sides.

In 2009, Wyoming recommended that the area be designated as non-attainment. EPA did so in 2012. Emissions have been greatly reduced because of significant participation and work by state

and local governments, industry, citizens, and the area has now attained the 2008 standard. Our experience highlights why a one-size-fits-all approach to ozone is not defensible. Wyoming's experience differs greatly from EPA's traditional ozone focus on low-elevation, densely populations urban areas with summertime issues. One-size-fits-all does not fit Wyoming.

Alternative analytical tools and methods are critical for areas with unique characteristics or phenomena, like those that we have experienced. In fact, there is still no model that is proven effective at replicating our wintertime high ozone events. Section 3(j) of H.R. 806 recognizes and provides for the study of ozone formation in rural areas and in the winter.

My second point, and another area that Section 3(j) addresses, is background ozone. Background, or naturally occurring ozone, in the western United States is not well understood. When EPA proposed the 2015 standard, it dismissed high elevation site data as an outlier, even though it recognized that background concentrations are highest at high elevation. Background ozone is a reality in the Mountain West. Research is needed in order to better understand the impact of background ozone. Section 3(j) provides for that.

My third discussion point is international transport. In addition to understanding background ozone, it is also important to have a full understanding of the extent and magnitude of

influence that internationally-transported ozone and precursors have in the West. If the underlying cause of elevated ozone is from international transport, then imposing costly controls won't make a difference.

Recent scientific evidence suggests that the Trans-Pacific transport of Asian pollution has contributed on the order of 8 to 15 parts per billion higher ozone levels in the western United States. Long-range international transport research, and translation of those findings into the regulatory framework, would be beneficial. Section 3(i) of H.R. 806 directs EPA to do this.

My fourth point involves exceptional events. Section 3(h) of the bill clarifies that certain events, such as non-ordinarily occurring stagnation of air masses, high temperature, or lack of precipitation qualify as exceptional events. Wyoming's experience has been that the exceptional event demonstration process has been costly and resource intensive. Specifying qualifying events and streamlining the process will reduce these costs.

In addition to streamlining, EPA must act on those submittals. Between 2011 and 2014, Wyoming submitted 46 exceptional event demonstrations showing that air quality standards had been affected by high winds, wild fires, and stratospheric ozone intrusions. However, EPA did not act on any

of Wyoming's demonstrations of those 46.

When there is no action and exceptional event demonstrations are ignored, the result is inflated monitored data that misrepresents the prevailing air quality conditions included in modeling, unnecessarily delays permitting, and inaccurately characterizes air quality for the public.

My final point addresses interstate transport. Interstate transport provisions prevent one state's emissions and sources from contributing significantly to non-attainment or interfering with maintenance of a national standard in a downwind state. Interstate transport of ozone is an area where EPA has shifted its approach towards western states by considering modeling results. However, to be useful, models must be accurate. Inaccurate models may result in the needless expenditure of time and resources and developing solutions for the wrong problem or on a non-existent issue. Inaccuracy adversely impacts public health and welfare.

The model results that EPA now uses to address interstate ozone arose out of an update to the Cross-State Air Pollution Rule that addresses interstate pollution in the East. The rule does not apply to western states like Wyoming. In order to develop the rule, the EPA used air quality modeling to project ozone concentrations and assess contributions. However, after EPA adopted the update it began to look to the model and draw

conclusions about western states such as Wyoming.

My earlier testimony highlights some of Wyoming's unique characteristics --

Mr. Shimkus. Quickly.

Ms. Vehr. Okay. -- that must be factored. Early and meaningful engagement with western states is critical. Implementation of streamlined and technically-sound measures assures that we can spend our resources on air quality improvement.

Thank you.

[The prepared statement of Nancy Vehr follows:]

**********INSERT 4**********

Mr. Shimkus. Thank you.

The Chair now recognizes Dr. Homer Boushey, Medical Doctor, from the Division of Pulmonary and Critical Care Medicine at the University of California, San Francisco, on behalf of the American Thoracic Society.

Welcome. You are recognized for five minutes.

STATEMENT OF HOMER A. BOUSHEY, M.D.

Dr. Boushey. Thank you, Mr. Chairman, Ranking Member, committee members. Thank you for this opportunity to testify on H.R. 806 on behalf of the American Thoracic Society. It's a society of over 18,000 physicians, scientists, nurses, and other health professors -- professionals concerned about the prevention and treatment of lung disease.

I would like to emphasize a few points, although you have my written testimony before you. I will focus on what Mr. Karperos described as focusing on what air pollution does to human health.

First, ozone harms the health of millions of Americans with chronic lung diseases. And as a lung specialist, I treat patients with these lung disease, principally asthma and COPD. By prescribing controller medicine, medications, advising on avoidance of triggers and modifying lifestyle habits, I help them control their disease so they can control their lives. But neither they nor I can control the quality of the air they breathe out of doors.

I have cared for patients who live in areas of California with serious air quality problems, and know from experience that ozone adversely affects human health. It is strongly associated with asthma attacks, COPD exacerbations, ER visits,

hospitalizations, and even premature death. Literally hundreds of high-quality, peer-reviewed publications have documented that exposure to levels of ozone often exceeded in regions of our country. It is bad for human health, especially for those with chronic diseases or the respiratory or cardiovascular systems.

Second, ozone harms healthy people, too. Research has shown that young people, healthy adults performing light exercise while exposed to levels of ozone at or below the current standard show declines in lung function and increases in lung inflammation, effects that we believe account for the association of ozone exposure with impairment in lung growth in children, development of asthma, exacerbations of asthma in children, and exacerbations of asthma and COPD in adults, especially in the elderly.

Third, this bill delays implementation of current national standards to reduce ozone pollution, a delay that would result in more of all of those: exacerbations of asthma, COPD, hospitalizations, premature deaths.

The bill goes further. It would force the EPA to delay updating science-based limits on air pollution. The Clean Air Act has required for decades the setting of standards to protect our citizens, including sensitive subjects with an adequate margin of safety based on the most up-to-date science. Instead of reviewing the National Ambient Air Quality Standards every five years, as called for under current law, it delays it to 10. This

would force the nation to set aside important new research, like recent studies suggesting potential threats air pollution presents to newborns, to people with diabetes, and possibly to cognitive function in the elderly.

The health impacts of delay are not trivial. The 10-year review lag would mean a newborn would grow to be a 10-year-old before a standard was changed, over a time when the lungs develop. And we know that lung function at adulthood is a predictor of risk of developing lung and cardiovascular disease. So delaying improvements in air quality will affect many of our children.

Lastly, the bill fundamentally rewrites the Clean Air Act by directing the EPA Administrator to consider facts unrelated to health in setting air quality standards intended to protect health. The Clean Air Act states that the EPA Administrator must set standards to protect the public health, irrespective of costs or technology, or assumes technological feasibility. The administrator does that following careful review of science, an approach that has helped clean our air for decades.

The requirement to set a health-based standard has pushed the UDES to develop new technologies that enabled these productions, to clean our air, create jobs in the meantime, and save both money and lives. This approach has been affirmed in the U.S. Supreme Court in the majority opinion written by the late Justice Scalia.

As a clinician, as a scientist, and as a citizen, I urge that this bill be rejected.

Thank you for your attention.

[The prepared statement of Homer A. Boushey, M.D. follows:]

**********INSERT 5**********

Mr. Shimkus. The gentleman yields back his time.

The Chair now recognizes Mr. Seyed Sadredin -- you have been here before and I botched it last time, too -- Executive Director and Air Pollution Control Officer of the San Joaquin Valley Air Pollution Control District.

We are glad to have you back. You are recognized for five minutes.

STATEMENT OF SEYED SADREDIN

Mr. Sadredin. Thank you. Good morning, Mr. Chairman, Ranking Members -- Ranking Member, and members of the committee. It is an honor and a great privilege to be here before you today. I want to express my gratitude to your committee for providing for a thoughtful examination and consideration of the federal mandates under the Clean Air Act.

Given the tremendous challenges that we face in the San Joaquin Valley and our decades of real life experience implementing numerous provisions under the Clean Air Act, I am hoping that the lessons that we have learned would be helpful to your deliberative process as you consider this issue before your subcommittee.

And, Mr. Chairman, I believe that our region is a great example of how the Clean Air Act has led to major reductions in air pollution, significant improvement in air quality, and great benefits to public health throughout the nation. In our region the amount of pollution today released into the atmosphere by all sections of our economy, all businesses, industrial facilities, agriculture, cars and trucks, are at a historic low despite a tremendous growth in the economy and in the population that we have had in our region.

The population exposure to high levels of ozone and

particulate matter PM2.5 in our region is down by 90 percent for ozone and 78 percent for PM2.5. However, our experience, Mr. Chairman, indicates that some of the measures, some of the provisions in the Clean Air Act, although well-intentioned, are leading to unintended consequences.

Today, on behalf of the San Joaquin Valley Air Pollution Control District, I am here to ask you that you include an overriding provision in federal law that bars the imposition of devastating federal sanctions that could destroy our region economically if our inability to attain federal standards is due to pollution from sources that fall outside of our control. In our case, 85 percent of our pollution we have no control, no regulatory authority over, over which.

We believe this is a reasonable act that deserves strong bipartisan support. In fact, today with me I have a number of local elected officials on our Air Board, Democrat and Republican, that agree that this is something that is fair to do and should be done. Today behind me I have Councilmember Baines from City of Fresno, Chairman of the Board; Supervisor Worthley from Tulare County; Supervisor Elliott from San Joaquin County; Supervisor Mendez from Fresno County; and Supervisor Pedersen from Kings County.

As we sit here today, Mr. Chairman, the imposition of devastating federal sanctions on San Joaquin Valley residents,

the poor residents in these disadvantaged communities is imminent. And we have no regulatory authority over 85 percent of our pollution that comes from mobile sources. We do not believe that this is what the Congress envisioned in the Clean Air Act, that a region like ours that has left no stone unturned, has imposed the most restrictive regulations on businesses, on cars and trucks, would be on the verge of getting sanctioned with devastating penalties from Washington.

We have petitioned the federal EPA to adopt tighter standards, national standards for trucks and locomotives. We have asked the State Air Resources Board to do more for the same sources at fault under their jurisdictions. We are asking, also, the Federal Government and the State of California to provide funding for incentive-based measures that can help expedite reductions in air pollution in a more expeditious fashion, but also by reinvesting those dollars in local communities, help grow the economy, and improve the job market in our areas that desperately need more jobs, and enhance the economy.

Despite these exhaustive measures that we have put in place, and hoping that both the state and Federal Government will deliver what we need to date through a very robust, exhaustive public process, we have not been able to identify adequate measures to get us the reductions that we need to achieve the standards that lie before us.

If you look at Figures 1 and 2 in my presentation, we can shut down all of our valley businesses and we will not get enough reductions to meet the standard.

A federal remedy to bar the imposition of these unfair and devastating federal sanctions is our top legislative priority. But I wanted to, very briefly in the time that I have remaining, share with you some of the implementation issues that we have encountered in implementing the Clean Air Act.

First, the transition between standards is extremely chaotic. As EPA tries to establish standards every five years, it leads to a lot of confusion for the public, for the businesses, for the agencies. As we speak today we are on the verge of having 10 state implementation plans, costly bureaucratic red tape without any corresponding benefit in air quality.

The artificial deadlines and arbitrary attainment deadlines in the Clean Air Act do not allow for a real, meaningful consideration of the socioeconomic costs of regulations as called for in the Clean Air Act.

The requirement to have contingency measures in areas that are designed as extreme or classified as extreme non-attainment is actually detrimental to air quality and getting clean air as rapidly as possible. Our inability to treat 100-year drought conditions as exceptional events does not make sense.

And, finally, we don't believe that Congress 40 years ago

when they passed the Clean Air Act understood the scope and the nature of particulate matter. We need technologies and we need to be able to write, be able to write plans that have to rely on yet-to-be-defined technologies to be able to have approvable concept.

Mr. Chairman, at this point I thank you for the time that you have provided me and would be happy to expand on these issues as we move forward.

[The prepared statement of Seyed Sadredin follows:]

**********INSERT 6**********

Mr. Shimkus. Thank you very much. Great testimony. We do appreciate you being here. And I will now recognize myself for five minutes to start the round of questions.

I am going to go to Mr. Alteri. And I want to kind of go quickly. There is a lot of stuff that I want to try to cover. So if you can answer succinctly, that would be helpful.

Can you quickly explain what happens when an area is designated to be in non-attainment of the 2015 ozone standards?

Mr. Alteri. As a state agency we would have to develop a plan under Part D of Title 1 of the Act rather than Part C. And those requirements are much more onerous.

Mr. Shimkus. Do new compliance requirements add to permitting burdens for the area?

Mr. Alteri. Absolutely.

Mr. Shimkus. Do those burdens go away when the area comes into compliance?

Mr. Alteri. Not necessarily. And there is a delay in EPA's approval.

Mr. Shimkus. Now, I understand that from EPA's own estimates, most counties that may not meet the standard today will meet the standard over the next seven years. Is that your understanding?

Mr. Alteri. It is.

Mr. Shimkus. And this is because control measures already in place, like fleet turnover and other measures, are kicking in

and resulting in lower precursor emissions; is that about right?

Mr. Alteri. It is.

Mr. Shimkus. Does implementation of the new ozone compliance regime significantly affect how fast these areas will come into compliance?

Mr. Alteri. It does.

Mr. Shimkus. You are being succinct. Very good.

Can you explain the public policy benefit of placing areas into compliance regimes for air quality standards they otherwise will meet without those new regulatory burdens?

Mr. Alteri. I didn't necessarily follow that.

Mr. Shimkus. I was going too fast.

Can you explain the public policy benefit of placing areas into compliance regimes for air quality standards they otherwise will meet without those new regulatory burdens?

Mr. Alteri. No, I think that is a significant burden. We just have recently announced a new generation of turbines that are going to greatly improve the efficiency of power plants. If you find non-attainment areas, then those turbines aren't going to be built in New York, and Pennsylvania, and South Carolina. And those, those technology-driven improvements, that is what is going to allow us to improve air quality the fastest.

Mr. Shimkus. Great. Thank you very much.

Let me turn to Mr. Sadredin. You have proposed revisions

to the Clean Air Act that would relieve you of some of the implementation burdens for ozone and other standards. Would those revisions constitute a roll-back of standards you are currently implementing?

Mr. Sadredin. No, Mr. Chairman, there is nothing in the bill as proposed that would lead to our region having to roll back a single measure that we have in place or hold back our progress as we try to meet the standards.

As you can see in my testimony, to meet the current standards we have to get to zero emissions. And once we get to zero, I don't think there is much more that we can do.

Mr. Shimkus. Yes, and that is why I like this cooperative federalism approach is because we really do want to trust local people on the ground who desire to protect their local citizens but also to make sure that there is an economy that can grow and thrive.

So another question. What is the potential impact on economic development and business expansion in your district if revisions are not made to the Clean Air Act implementation?

Mr. Sadredin. Mr. Chairman, the sanctions that are imminent at this juncture on San Joaquin Valley will be devastating.

I do understand that, you know, California's economy is growing, but our people are not just statistics. Just a year ago, and I am not talking about, you know, eight years ago when we were

at the depths of recession, many communities in our region because of the drought conditions and federal water policies putting farms out of operation, communities were experiencing 30 percent, 40 percent unemployment. I personally witnessed people in line for food. And I am not talking about your chronic homeless individuals, these are people in our region that are already suffering significantly. And seeing those faces, I cannot sit here before you and say we are okay with imposing billions of dollars in economic sanctions on those same people.

Mr. Shimkus. I understand you have 35 years implementing standards in one of the most challenging air sheds in the nation. In your experience do you see anything in H.R. 806 that will make your job to implement the regulations necessary to ensure public health protection more difficult?

Mr. Sadredin. There is nothing in this bill that would roll back even a single measure that we have already put in place or will hold back anything that we have to do and we are planning to do moving forward to meet the current standards.

Mr. Shimkus. Yes, and I have 40 seconds. I just want to end with a story.

In 1986, I left the military to get my teaching certificate. I did that in Southern California at now Concordia University. It was Christ College Irvine. And we played a baseball game -- I was a pitcher -- in Costa Mesa. And it just struck me, I was

pitching a game and I came off the mound, I just couldn't breathe. Now, this was '86. And I had no idea why because I was very healthy and in pretty good shape.

And I would, I would ponder the question because we do support the Clean Air Act. It has been very beneficial in cleaning it up. I don't think I would have that problem now in that particular position because of the success of the Clean Air Act. We just want to make it more workable for today's era.

And with that, I will now recognize the Ranking Member Mr. Tonko from New York for five minutes.

Mr. Tonko. Thank you, Mr. Chair.

The Clean Air Act has been an incredibly successful public health statute. And I believe that is because it contains a clear line of separation between two very important public policy questions, the first being what standards must we meet to ensure the air we breathe is safe?

Second, now that we know how clean the air needs to be to ensure public health, how do we achieve that standard in the most fair and cost-effective manner?

We have never asked how much clean air can we afford? That is why we have made steady improvements in air quality, even as the population and the economy have grown. So I am very concerned that this bill alters the strict health-based standard setting process that has resulted in substantial health benefits over the

past decades.

Mr. Karperos, California's topography and climate make air pollution control very challenging. But the statistics you provide in your testimony are impressive. Do you believe we need to change the fundamental process in the Clean Air Act that I just described that sets standards based on considerations of public health alone?

Mr. Karperos. Absolutely not, Congressman. Setting the standards based on public health gives us a clear mandate where and the direction to go. And then the structure within the Act allows a deep consideration of the costs and how to get there proactively.

Mr. Tonko. Thank you.

And, Dr. Boushey, would such a change, allowing costs and technological feasibility as considerations in setting standards undermine the progress we have been making to clean our air?

Dr. Boushey. I absolutely think so. But then some very good examples of how the setting of standards stimulated technological advances that contribute to the great improvements in air quality. There are two that came to mind, one has already been mentioned: the really remarkable improvement in diesel, large diesel engines.

Siemens, Ford, and Volvo have all made engines that reduce particulate emissions by more than 90 percent, and nitric oxides

similarly remarkably reduced. That was driven by the need to meet a standard for protecting human health.

The electric car, the hybrid cars are another very good example. And there are many such examples throughout other industries as well.

So the setting of standards stimulates technology that may not have been known about. We had to face the fact that air quality was harming health and then develop the technologies to deal with it. And that is how the sequence should progress.

Mr. Tonko. Thank you. And again, Dr. Boushey, have there been a number of recent scientific studies on the health impacts of ozone?

Dr. Boushey. Yes, there has been. Since the setting of the 2008 standard there have been hundreds of papers, literally, that have documented the health effects of ozone. Some are good stories, not just bad ones.

For example, the improvements in the Los Angeles Air Quality Basins, there have been three beautiful cohort studies with children conducted at USC that have shown significant improvements over the last 15 years in the pulmonary function of 15-year-olds. They are followed from age 11 to age 15. Over three distinct periods as air quality has improved, particulates, nitric oxide and ozone, the pulmonary function of the children in the Los Angeles area has improved. And that is remarkable.

You can show that on a population basis.

Mr. Tonko. And I would think we would all, I would hope we all share that common goal, to give our children cleaner air to breathe and generations to come to have even cleaner.

Dr. Boushey. If I can make just a comment, since the Chair pitched baseball in Costa Mesa. Correct?

Mr. Shimkus. That is correct.

Dr. Boushey. There is a study showing that three-sport varsity athletes in Los Angeles are more likely to develop asthma, presumably because they are playing hard out of doors breathing poor air quality. Now, that was before the recent years. And air quality has much improved.

So your experience of having difficulty breathing after a tough inning, that was --

Mr. Shimkus. It was the only tough inning I ever had. So don't get me started.

Mr. Tonko. Great. Well, let me, let me just jump in. And with so many studies being published each year, Dr. Boushey, do you think moving the review from every five years to ten years might prevent health-based standards from accurately reflecting the latest science?

Dr. Boushey. I am concerned about that. I am going to comment on an example, because I was involved in the research, that demonstrated that very short-term exposures to sulfur

dioxide can have remarkably severe broncho-constrictive effects in people with asthma. We discovered that a subgroup of the population, perhaps 8 to 12 percent of the population depending on the demographic, have asthma. They are orders of magnitude more sensitive.

That required that we not have an 8-hour standard for sulfur dioxide, it required a 1-hour standard. And to wait 10 years for people with asthma to be protected, that is, that is long. And I just have to say it.

We need, actually a theme here, I think, is we need greater flexibility from the EPA. That is going to be hard for them to achieve with a 30 percent budget cut. But we need them to be more quickly responsive to advances in science and for difficulties encountered by Air Quality Boards.

Mr. Tonko. I noted Ms. Vehr suggested that the timeliness of response from EPA is problematic. What does happen when you cut their budget by 31 percent?

With that, Mr. Chair, I will yield back.

Mr. Shimkus. The gentleman yields back his time.

The Chair now recognizes the gentleman from Texas Mr. Olson for five minutes.

Mr. Olson. I thank the Chair. And welcome to all six of our witnesses.

Obviously this issue in H.R. 806 are totally important to

my district and me. As I have said time and time again, I want clean air. My family breathes the air in the greater Houston area. When I moved there as a 9-year-old boy in 1972, Houston had the dirtiest ozone air in America. Our air is dramatically cleaner. And I won't let that progress backtrack.

My first question is to Mr. Alteri. I would like to look at Section 3(b). That section says that if EPA's science advisors find a range of options that all protect health, they can use achievability to hit the sweet spot. Ranking Member Pallone and I debated this section on the Floor last year, and his fear was that it let EPA set an unhealthy standard.

I said it then and I say it now, word the language very carefully to make sure that EPA can never pick money over science. Health was, is, and always will be the most important factor.

So, if the science says we need a standard 65 parts per billion to keep people healthy, so be it. But if they say anything between 60 and 70 ppb would keep people healthy, which happened recently, then my bill says they may, not must, may look at what is actually achievable.

Do you agree with me it is important for EPA to set a standard based on health and then we do everything possible to make sure states like yours can implement those standards?

Mr. Alteri. Yes, sir. Yes, sir.

Our mission is to protect human health and the environment,

so we recognize your bill and the language and the thoughtfulness and the consideration that you put into drafting that language.

And setting the standard -- and it has been said many times on the panel -- setting the standard does nothing to improve the air quality. Implementing control strategies and achieving those air quality standards, that is the improvement and that is the protection of human health and the environment.

Mr. Olson. A second question is for you, Mr. Sadredin. And I hope I got close to that pronunciation. All right.

In your testimony you say that, and this is a quote, "currently we are subject to four standards of ozone and four standards of PM2.5." The Texans I work for back home do their best to work with EPA for multiple standards on multiple pollutants but they claim health benefits is very, very confusing. And some people back home worry the EPA is taking health benefits from one standard and using those same benefits on another standard; double counting.

And so can you -- do you believe they are double counting? And can you talk to me about what having multiple standards for each pollutant means to the San Joaquin Valley?

Mr. Sadredin. Yes. Thank you. As we speak right now, our agency is in the process of putting three separate PM2.5 plans for just PM2.5. And when you add up all the standards we will have about 10 state implementation plans. Our agency alone on

an annual basis spends about $2.7 billion in just the bureaucratic process of putting these plans together. And that doesn't, you know, include the cost to businesses, to other agencies, litigation.

In terms of double counting, as I show in my testimony, written testimony that we provided for you, just to meet the 2006 and the 2012 PM2.5 standards we have to get enormous reductions in emissions, 90 percent. Those same reductions will also get us to the ozone standard. So when you take credit twice for the same reductions that, in a way, is a double counting.

Mr. Olson. And so any way you can get around that? I mean, you said there is no more growth, none whatsoever in the San Joaquin Valley because of these ozone standards that can't be achieved. Well, you can't control that, but also with double counting.

Mr. Sadredin. No, I agree with my colleague from California that meeting these standards is achievable. It is just a question of time. We just need the time for the technology to be developed, for the funding, for the resources to be there to put these measures in place. Right now these artificial deadlines in the act do not provide the time to do that.

Mr. Olson. This bill gives you that time.

I yield back.

Mr. Shimkus. The gentleman yields back his time.

The Chair now recognizes the gentleman from California Mr. Peters for five minutes.

Mr. Peters. Thank you, Mr. Chairman. And this week in particular I want to say thank you for having a hearing on this bill. It is certainly helpful to inform us about, about the proposal.

I want to start with Mr. Cone. And, Mr. Cone, I want to ask you a question as a state implementer. You talked a lot about the difficulty of dealing with delays in EPA's implementation of standards, et cetera. Can you explain to me just as a practical matter how that makes things tough on you to do your job?

Mr. Cone. As trying to figure out what standards and how to permit facilities you have to determine whether these standards apply today, are you going to have to do something tomorrow. With the levels continuing to go down, a company wants to figure out what is going to meet the regulation so they have certainty for the future. As this continues to change, they have to continue to change. Well, if I put this control in today will this be good five years from now? It may, it may not be.

Those are some of the things that we, as regulators, have to work with our customers to figure out what is appropriate, what is practical, and what will be effective.

Mr. Peters. My understanding is that this proposal 806 doesn't make -- doesn't require EPA to be any more timely with

that kind of thing.

Mr. Cone. No, it doesn't. It -- you need to, you need to come up with implementation plans when the standard comes out.

Mr. Peters. Right. So one, one way to deal with a very legitimate concern would get EPA to be on time and be more timely. That would at least address part of the problem with what you are concerned about with the five-year period. Is that right?

Mr. Cone. Correct.

Mr. Peters. Yes. I think we would all agree on that, too. And I hope that the administration will take that to heart as it considers its budget proposals for EPA because removing resources is just going to make that even more difficult for these folks.

I would ask Mr. Karperos to -- and probably your own process -- but Mr. Sadredin from San Joaquin Valley came up with a very different view of these rules than you did. Would you like to respond to him? And I am going to give Mr. Sadredin the same opportunity. He basically alleged that, he suggested that attaining these things might be actually infeasible. And do you have a response to his concern?

Mr. Karperos. The California Air Resources Board absolutely doesn't believe that attaining any of the standards is infeasible. By using, by looking forward to the standards that EPA has set, considering your control strategy as a whole for PM ozone -- NOx that is going to form a particle in the air is the same NOx that

is going to form ozone -- you can develop an integrative strategy that distributes the control responsibility across all of the sources, reduces the cost, and in a feasible way brings you to the emission levels you are looking at.

The numbers that Mr. Sadredin was referring to, we are in technical discussions about the what it will take to attain the standards, my agency and his. We have mapped out, my agency has mapped out a what we believe is a much more feasible strategy that wouldn't require us to, you know, have no-drive days, that type of thing, but in fact would require us to move towards a cleaner fleet that's available today.

Mr. Peters. What about his concern that he doesn't have enough time to do this. Are you able to accommodate that within the current regulatory regime?

Mr. Karperos. It's a very good question. My agency tomorrow will consider a plan that will lay the regulatory groundwork for attaining the PM standards of the ozone standards in the state. We will need to come back and consider options for accelerating the turnover of the motor vehicle fleet, for example. That will require incentives. And one of the --

Mr. Peters. I don't have a lot of time and I want to get to Mr. Sadredin, too. But do you have the authority in CARB to give them more time if they need it?

Mr. Karperos. We have the ability to develop a plan that EPA

could look at and grant more time.

Mr. Peters. Mr. Sadredin, he gave some pretty positive statements about the current regulatory regime for the State of California. Would you like to respond to those?

Mr. Sadredin. Yes. Actually, we are in agreement that these standards are achievable. It's just a question of time.

For instance, the deadline that we are facing right now is that by 2019 we have to reduce our air pollution by 90 percent. And this is in California where we have already imposed the toughest regulations on the stationary sources, cars and trucks. It's just a question of time. ARB cannot give us more time under the construct of the Clean Air Act as it is written right now.

Mr. Peters. I appreciate all the witnesses being here. And, Mr. Chairman, I yield back.

Mr. Shimkus. The gentleman yields back his time. Thank you for his questions.

The Chair now recognizes another gentleman from Texas, Mr. Flores, who is very involved in this issue, for five minutes.

Mr. Flores. Thank you, Mr. Chairman. I appreciate having this hearing. Also I appreciate all of the witnesses for showing up today.

Mr. Alteri and Mr. Sadredin, I have my first question will be for you two. The EPA estimates that annual costs for ozone standards outside of California will be $1.4 billion annually

beginning in 2025. Last year in a hearing like this Dr. Bryan Shaw testified that the EPA only includes industry's costs in their analysis, not the states' cost or taxpayers' cost, nor do they look at economic impacts like increased electricity costs.

So, Mr. Alteri, to the extent that there are additional costs, how do these impact other pollution control priorities in your agency?

Mr. Alteri. Thank you. The rise in rates of electricity prices is a key concern of ours as a manufacturing state. And just a incremental change in the electric prices will drive out manufacturing industries. And they won't relocate in Connecticut or New York or in the Northeast, but rather they will go to international areas where there isn't afforded as much environmental protection. So, so we do have those concerns.

As far as the ozone standards and how they can affect us, they could limit the potential for economic growth. There is very few major stationary sources that want to locate in a non-attainment area. And so we are concerned about the limiting of economic growth.

Mr. Flores. Okay. And you were looking forward, to the extent that there are additional costs, how these impact other pollution control priorities of your agency. I think you have answered that.

Mr. Sadredin, based on your experience will there be costs

to state and local government agencies like yours under the new ozone standards before 2025?

Mr. Sadredin. Well, as I said, with the double counting of what you need to do for various standards, right now what is before us to attain the PM2.5 standards will be also sufficient, if we can achieve it, to meet the ozone standard.

Last week at our governing board meeting we presented the plan, very ambitious, makes a lot of sometimes unrealistic assumptions about what is doable. The costs to our region to get some of the reductions that we need, and still not sufficient, is $52 billion in San Joaquin Valley.

Mr. Flores. Wow.

Mr. Sadredin. And then when you add to it the bureaucratic cost that does nothing to improve air quality, $2.7 million a year just our agency spending on staffing and rewriting these plans in a perennial, continual planning mode, all of those dollars could go to actually reduce air pollution. And that would make our residents' quality of life better if we didn't have to do all this every, every year.

Mr. Flores. That is pretty compelling.

Under the Clean Air Act, the EPA currently must review the National Ambient Air Quality Standards every five years. For the 2008 ozone standards the EPA issued the standards in March of 2008 and began reviewing it in the fall of 2008. And H.R. 806 would

extend the mandatory five-year review period to 10 years, although the administrator would still have discretion to revise the standards earlier.

When I drafted this part of the legislation, the reason we picked 10 years was because that was the agency's history of actually meeting the mandatory standards. They were not meeting their only standard -- their own standard. They had a history of doing it since the beginning of the Clean Air Act. So all we are doing is matching the law to fit what their actual standards have been. But, we have also said that if the administrator wants to review earlier, they can.

So it is hard for me to see that there should be complaints about that.

So, Mr. Alteri, from your perspective is the current five-year review cycle practical for either the EPA or the states?

Mr. Alteri. No, sir. You know, EPA --

Mr. Flores. That is good enough.

Mr. Cone? I have got limited time.

Mr. Cone. No, sir.

Mr. Flores. Okay. Ms. Vehr?

Ms. Vehr. No, sir.

Mr. Flores. Thank you for taking care of the air quality in my birth state by the way, so.

Mr. Boushey?

Dr. Boushey. I am not an expert on that. I think as science shows the important, new, dramatic effects we have to have the flexibility to do that.

Mr. Flores. The administrator has the ability to do that.

Mr. Sadredin?

Mr. Sadredin. The experience does not indicate that EPA is able to do that every five years anyway.

Mr. Flores. Mr. Karperos? I didn't mean to pass you.

Mr. Karperos. We think 10 years is too long.

Mr. Flores. Okay. But that is what the EPA has been doing. And the EPA Administrator has the flexibility under 806 to move forward.

Mr. Cone, in your testimony you indicate that extending the five-year review cycle to 10 years would more closely align with what the EPA does in practice. You said that. Can you say why that would be reasonable to do something like that?

Mr. Cone. I didn't quite catch the last part.

Mr. Flores. I am sorry. I says in your testimony you indicated that extending the five-year current review cycle to 10 years would more closely align with what the EPA has done in practice, which we have just talked about. Can you elaborate why this would be reasonable to do that, to extent it from five to 10 for the mandatory review?

Mr. Cone. Well, again, if EPA would implement, come out with

these implementation standards we would be able to probably get cleaner air quicker.

Mr. Flores. Right.

Mr. Cone. But EPA has to turn around and reinvent and try to figure out how to do things differently to come up with these implementation standards.

Mr. Flores. Thank you. I yield back the balance of my time.

Mr. Shimkus. The gentleman's time has expired.

The Chair now recognizes the gentleman from Texas Mr. Green for five minutes.

Mr. Green. Thank you, Mr. Chairman and Ranking Member, for holding this important hearing. And I want to thank our witnesses for being here today.

It is no secret, in Houston we have air quality challenges. The region currently sits at 80 parts per billion, which is still above the 2008 ozone standard, so we need a little more time. That being said, we have come a long way since the 1970s when our ozone measured 150 parts per billion.

And I think today's discussion is a valuable exercise. And while I do not support the majority's legislation, I think there are reasonable efforts that can be made to improve the implementation of NAAQS.

Mr. Karperos, we have repeatedly discussed the issue of technical feasibility and economic achievability. The Supreme

Court has stated that the most important form for consideration of technological and economic reforms is before the state agency. Does your agency consider technological feasibility when drafting a SIP.

Mr. Karperos. Absolutely we do, sir. For the plan we are adopting tomorrow we did 10 deep dives on different mobile technologies.

Mr. Green. Does you agency consider the cost-effectiveness when selecting emission control options to meet the new NAAQS?

Mr. Karperos. Yes, we do. And we also do economy-wide modelings so that we understand the ripple effects throughout the economy.

Mr. Green. Does your agency accept the input from districts like the San Joaquin Valley in the adoption of the costs in technology and standards?

Mr. Karperos. Absolutely. Under state law it is very much a partnership for developing SIPs in the state of California between the air districts and the California Air Resources Board.

Mr. Green. Director Sadredin, if the state can already consider costs and technology when drafting a SIP, why is this sufficiently flexible or not sufficiently flexible to meet the new requirements?

Mr. Sadredin. That is an excellent question because that is what often comes up because Clean Air Act does say you can include

cost-effectiveness, economic feasibility in the implementation phase.

The problem is that 40 years later after the Act passed, today the deadlines that we face, if your deadline to meet the standard is 10 years and there is no way that you can go beyond that, how can you do a meaningful cost-effectiveness analysis if in our region or in your region the technology that you need, billions of dollars that we need to spend on having the fleet turnover that is necessary, if that is not possible to do within that time line it is not a meaningful cost-effectiveness, economic feasibility analysis that we can actually do.

Mr. Green. Administrator Vehr, in February 2014, NASA's Global Modeling and Assimilation Office, the GMAO, conducted a study of western states which used satellite data to monitor stratospheric intrusions. NASA and the EPA have acknowledged that intrusions can cause ozone to rise above the 70 parts per billion level, especially in the summer months. Welcome to Houston. If the ozone rises above 70 parts per billion due to background ozone, does the statute provide a regulatory relief? And has Wyoming provided -- previously applied for regulatory relief?

Ms. Vehr. The statute allows the state to submit something called an Exceptional Event Submittal. And under those Exceptional Event Submittals they are very time consuming. It

takes about a year to prepare one for stratospheric ozone intrusion.

Wyoming has been the only state in the nation to have had a stratospheric ozone intrusion exceptional event approved. And we have had four down to EPA that have not been acted on.

So, the Act provides for stratospheric ozone intrusion and other exceptional events, but the cost to prepare those, and if they are not acted on the consequences of that data being used in modeling and other events, is problematic.

Mr. Green. Thank you. In your testimony you stated a one-size-fits-all to ozone is not good for Wyoming. And, of course, in Texas we would probably say the same thing. You also stated the alternative tools and methods are critical for areas like Wyoming. In response to the NASA study, EPA is forming a working group of scientists and air quality managers to identify intrusions using a variety of new and different tools.

Was Wyoming invited or participated in that group?

Ms. Vehr. Wyoming has been involved with our EPA Region 8. I don't know about that particular group. But we have been in discussions on stratospheric ozone intrusion. And we welcome a meaningful collaboration with federal partners. We look at this as a federal-state partnership, and it should be collaborative and it should be meaningful discussions.

Mr. Green. EPA acknowledged the burdens of the regulatory

relief associated with events, and these working groups were able -- I don't know if these working groups were able to implement any change. Do you know anything about that?

Ms. Vehr. The working groups I do not.

Mr. Shimkus. The gentleman's time has expired.

Mr. Green. Thank you, Mr. Chairman.

Mr. Shimkus. The Chair now recognizes the gentleman from Michigan Mr. Walberg for five minutes.

Mr. Walberg. Thank you, Mr. Chairman. And thanks to the panel for being here to assist us in understanding better.

Mr. Alteri, one of the primary concerns that I have heard about the 2015 ozone standard level is that it could limit investment in domestic manufacturing, including the steel industry moving forward. And that is a big issue in my district in Michigan. Mainly that the regulation could limit companies from making key investments for plant improvements or expansions in the future. These are the type of investments that I believe Congress and the administration should support and make ways for.

Could you share your thoughts on this concern and whether you have a similar perspective on the 2015 standard?

Mr. Alteri. Yes, sir. The stringency of the standard will create more non-attainment areas or projected non-attainment areas. Ms. Vehr had mentioned the modeling that is used in these analyses. The photochemistry of ozone creates severe

complications. And if you can see, we have done an extra job in reducing PM2.5 and ozone. NOx and -- I mean PM2.5 and SO2. But NOx and ozone are more difficult.

But anytime you have those non-attainment areas you are going to employ the lowest achievable emission rate with the best and most stringent controls, without taking into account cost and technical feasibility. So it will limit opportunities for growth.

Mr. Walberg. And sometimes it is apparent, through no fault of the area or the city or the communities in the process. And almost like there is no way to get out of it.

Mr. Alteri. Yes, sir. That is the way we feel.

Mr. Walberg. Let me ask as well, Mr. Alteri, it is clear that one of the major priorities of the Trump Administration is investment in infrastructure, whether that be for transportation, energy, or other purposes. But one aspect of the debate on the infrastructure that needs, I believe, more discussion is the potential effect that federal regulations might have.

And so, from your state and location points of view do you view the 2015 standard for ozone, NAAQS, as a regulation that could be harmful in making investment in infrastructure that we sorely need?

Mr. Alteri. Mr. Sadredin had mentioned the sanctions that are associated with non-attainment areas. And they would apply

to highway funds.

Yesterday I got to speak in Cincinnati. The northern Kentucky area is out historic non-attainment area. And what we need is we need investments in bridges and roads to open up those corridors. The congestion, you know, you can look through -- you know, I am from Kentucky, so my first seven miles of the trip I might see one or two cars in the morning on my commute. But you go outside and you see many, many points of emissions sources just standing in traffic.

So I really think the infrastructure funding and development would greatly ease that burden in the Cincinnati-Northern Kentucky area. We do need to build bridges and open up the corridors.

Mr. Walberg. Ms. Vehr, I look forward to riding my Harley out in your state this summer for a week, breathing that fresh air. The 2015 ozone standard immediately applies to prevention of significant deterioration permits that businesses need to grow and create jobs. That means businesses will have to immediately show their projects meet the 2015 ozone standard, something hard to do in an area that already fails it, as has been mentioned.

Would PSD permit relief help economic development for the new non-attainment areas in your state?

Ms. Vehr. Yes. We currently have one non-attainment area for ozone and PDS relief where their certainty provides relief

to businesses.

Mr. Walberg. And certainty, define that a little, little bit more?

Ms. Vehr. When you have --

Mr. Walberg. What that looks like.

Ms. Vehr. Certainty is tied to what the, what the standard is and what is the controls and technology needed to achieve that standard. And that allows businesses to evaluate those opportunities. We have had that experience when businesses come to look at our state, they like that we have clean air. And so having that certainty in the surrounding ozone is beneficial.

Mr. Walberg. Thank you. And I yield back.

Mr. Shimkus. The gentleman yields back his time.

The Chair now recognizes the gentleman from California Mr. McNerney, who has been patiently waiting, for five minutes.

Mr. McNerney. I have been. Mr. Chairman, I thank you for this hearing. And it is very informative, so I am having fun here. So thank you for participating.

Mr. Seyed, the target of the Air Shed Grant Program is at risk with the EPA's proposed cuts. If this program were eliminated how would it impact your work and the health of the people in the valley?

Mr. Sadredin. Thank you, Congressman McNerney. I want to publicly express my gratitude for your help over the years to bring

resources to the valley for these incentive-based programs that are critical to get in the reductions that we need much more quickly, and also do it in a way that is helpful to our economy.

In San Joaquin Valley we need incentive funding in the order of about $2.8 billion, billion with a B. And any reduction in those areas will be devastating to our efforts. In fact, we need those areas to be enhanced and more funding needs to be dedicated to those good programs.

Mr. McNerney. Thank you.

Mr. Cone, in your opinion would reducing the EPA's budget reduce regulatory uncertainty?

Mr. Cone. It is possible that the EPA could look and strategize better what the resources are and reinvent themselves to be focused on that.

Mr. Shimkus. Can you check you microphone? Make sure it is on or at least speak into it; that is better.

Mr. Cone. Sorry. Excuse me.

Mr. Shimkus. That is all right.

Mr. Cone. I can.

I think it is an opportunity to look at how things are done and drive improvement. But the public deserves to know what is going on. And it gives the opportunity for EPA to show their value. And with those cuts that could be done.

I mean, by having the conversation --

Mr. McNerney. It will show their value by not providing the services that they provide.

Mr. Karperos, your testimony was pretty stark. In your opinion, what is the progress that has been made in the valley?

Mr. Karperos. Absolutely remarkable. Mr. Sadredin referred to some of the statistics in terms of the improvement in air quality. I think we are truly at a cusp where with the right investment, the continued support of EPA with incentive dollars, as Mr. Sadredin spoke to, we can achieve those standards within the current deadlines of the Clean Air Act.

Mr. McNerney. Do you believe that the current ozone levels in the valley are primarily from sources outside the district's ability to control?

Mr. Karperos. This has been an issue that has been studied in great depth. And the bottom line is the high ozone levels we have experienced in the valley are homegrown. They are from emissions from within the valley.

Mr. McNerney. Okay. Mr. Seyed, do you have any suggestions or recommendations on how the Clean Air Act could help reduce pollution that is not in the district's control?

Mr. Sadredin. Right, and I believe Mr. Karperos was referring to pollution transferred from other areas. And your question was the regulatory authority over 85 percent of the pollution that we do not have. I think with respect to that for ozone, there

is no disagreement.

What we are asking today of this committee is that an overriding provision be included in the act, or in some other independent legislation, that says areas that are impacted by pollution from sources outside their regulatory authority will not be punished with devastating economic sanctions if they have done everything that they can do for sources of air pollution under their control.

Mr. McNerney. Right, and I understand that. But what can be done to reduce pollution sources that are not in your control?

Mr. Sadredin. We have petitioned the Federal EPA to adopt national standards. We are asking the state Air Resources Board to do more with some of the limited authority that they have compared to the Federal Government with mobile sources. And we are hoping that ARB will ultimately deliver on that. And we are hoping that the Federal Government, if this is a standard that they want to impose on local areas, that they do their part for sources of air pollution that are -- is of interstate commerce restrictions fall under their jurisdiction.

Mr. McNerney. So, and I mean that sort of expands the authority of the Clean Air Act, what you are proposing?

Mr. Sadredin. We are just asking for a fair application of the Clean Air Act. Ask us to do everything that we can, but when we have reached a point of diminishing returns and also the

physical impossibility to get the reductions that we need, the Federal Government has to do its part, state government needs to do its part.

Mr. McNerney. Last September the EPA issued updated exceptional event guidance, further acknowledging the impact of droughts on air quality stagnation. What is your view on the updated guidance?

Mr. Sadredin. It improves the process slightly. But we think there is still a big problem with a region like ours when you experience 100-year drought conditions. You cannot use that as an exceptional event to say there is nothing that we could do. It overwhelmed everything, every measure that we had in place in our area. We just we still need some enhancement in that area.

Mr. McNerney. Mr. Karperos, you looked like you wanted to say something.

Mr. Karperos. Yes. Thank you.

Even in drought conditions construction workers need to work outside. In the San Joaquin Valley farm workers need to work in the field. They will be exposed to the ozone that has been exacerbated by manmade climate change in the drought condition. There are reasonable actions we can take. The Exceptional Event Policy is, it should be transparent, it should be detailed because we are talking about public health here. The issue is not whether or not you should excuse the drought, the issue is whether or not

we are taking all the reasonable steps we can to protect human health.

Mr. McNerney. Thank you.

Mr. Shimkus. The gentleman's time has expired.

The Chair now recognizes Dr. Ruiz from California for five minutes.

Mr. Ruiz. All right. Thank you, Mr. Chairman.

We are here today to consider legislation that, quite frankly, may make life worse for millions and augment people's suffering from long illnesses. Air pollution exacerbates asthma; stunts lung development in children; increases risks for infections; increases risks of heart attacks, strokes, and even premature death.

Nationally, there are an estimated 9,330 deaths every year because of air pollutions. And I want to let that sink in because we lose nearly as many people to the exacerbation of illnesses due to air pollution as we do to drunk driving.

Riverside County, on the eastern Riverside in Coachella Valley, which is very much like the San Joaquin Valley, and our economy is dependent on agriculture, where I am from and now represent, ranks among the worst in the nation for ozone pollution. The Inland Empire in Southern California of which Riverside County is a part, also has some of the country's highest levels of PM10s, you know, those tiny particles emitted from

chemical factories and vehicles that can penetrate the lung-blood barrier entering directly into the bloodstream and poisoning our communities and our relatives and our families.

As a physician, you know, I care very deeply about the health of our communities and the public health hazard that air pollution poses. And the fact is, respiratory illnesses caused by air pollutions are preventable if we have the proper safeguards in place, if we have the proper resources that our agencies need, if we have the right protections in place and the right goals, and the assistance to build a capacity to those goals -- safeguards like those in the Clean Air Act.

Since 1980, nationwide ozone levels have declined by about a third thanks to the Clean Air Act protections which target emissions from cars, factories, consumer products, and other pollutant sources. As technology improves, we have an obligation to update our ozone standards to further reduce air pollution and save more lives.

And it is precisely the lives of the working families and the poor, Mr. Sadredin, that we -- who face the highest burden of those illnesses, who don't have access to doctors or medicines, and who have the highest risk of having asthma and COPD and emphysema. It is not for them that we should reduce the regulations and the protections so that, you know, they can have a job in which they will maybe even, you know, they will make

minimum wage, and where the CEOs of these corporations will make big, it is precisely for them that we need to protect the air because they will have the highest burden of illnesses because of the health, the lack of the protections in our air quality.

So, you know, this bill would delay it for 10 years. And heard that it is because that is what the EPA did, so we will do it in 10 years. But when we cut the EPA's budget even further it is going to be another 20 years before they can get some of these things done. And so, you know, in five, 20 years, are we going to keep delaying it and delaying it? Well, that is counterintuitive for us in order to be able to find the needs that we need and the resources that we need to help improve our health.

Dr. Boushey, can you speak to the healthcare costs or the cost savings of these protections?

Dr. Boushey. Thank you for the question.

We have actually run a calculation of what would be the health impacts of improving on the 2008 standard of 75 to the 2015 standard of 70 parts per billion. On a national scale we would save 1.5 million lost days of work and school. And I think those school days ought to be counted double because so often both parents are working, and when your 9-year-old with asthma is home sick, you are out of work for the day or three days, however long it takes to recover.

That's 1.5 million from the patient, of patient days lost

to work or school. Two thousand hospitalizations. This is just from the 5 ppb change, 75 to 70. And prevention of an estimated 500 deaths. So we have talked so much about the costs of implementing air quality measures to achieve better air quality, we should look at the value of returns. And they are substantial.

Incidentally, 45 percent of these improvements are in the State of California because they have a big population with a lot of air quality problems.

Mr. Ruiz. Yes.

Dr. Boushey. So, I think that is responsive to your question.

Mr. Ruiz. Absolutely. And I think that, unfortunately, as policy makers we don't really count the cost savings for preventable illnesses when we can clean the air or have some of these policy decisions.

I have taken care of very sick kids who are poor, who live in farm worker communities. I have seen the face of what the exacerbation of asthma can be.

Dr. Boushey. And I care for people of minority ethnicities living in inner cities, like in Oakland, who are 28 years old. They would love to work. They are well educated, want to work, but they can't because they are so often in the emergency room for asthma.

Mr. Ruiz. I hear you.

Dr. Boushey. It is a real problem.

Mr. Ruiz. I hear you.

Mr. Shimkus. The gentleman's time has expired.

The Chair now recognizes the gentleman from Mississippi Mr. Harper for five minutes.

Mr. Harper. Thank you, Mr. Chairman. Thanks to each of you for being here. And I will direct these questions to Mr. Alteri and Mr. Cone. And either or both of you may respond.

You know, concerns have been raised before this committee regarding the impacts of new ozone standards on permitting for new construction and expansions. So, can you explain how the 2015 ozone standards immediately impact PSD permitting?

Mr. Cone. In Maine we, we are part of the Ozone Transport Region. Maine is treated as a non-attainment area even though we are in attainment for all standards. Any time we have an exceeding it is due to transport.

We have received and applied for nitrogen oxide waivers. Those have been granted.

We had in the process a VOC restructuring of the regulation that would have offered regulatory relief to two facilities that had applied for expansion in the state. Due to the fact that EPA did not get this process, and then the new standard was being proposed, they said we will not finish processing this.

Since that time one facility has gone out of the business, the other facility has gone through bankruptcy. Those are the

-- that is the reality of what is going on in Maine.

Mr. Harper. Mr. Alteri?

Mr. Alteri. It has the potential to limit economic growth and development. You know, it is real simple. When a new project submits an application we do the analysis. And if it shows that it is going to be in a non-attainment area of cause or contribute to a violation, then there isn't an opportunity for you to evaluate the control technologies based on cost or technical feasibility.

Mr. Harper. Let me ask both of you, will the new ozone standard impact the ability of new sources to obtain pre-construction permits?

Mr. Alteri. Yes.

Mr. Cone. Yes.

Mr. Harper. All right. Do you expect that the new ozone standards may delay the processing of pre-construction permit applications?

Mr. Alteri. Yes.

Mr. Harper. All right. You agree? Okay.

Another: do you also expect that it may delay the ability of states or EPA to approve permit applications going forward?

Mr. Alteri. Yes. And environmentally beneficial projects as well.

Mr. Cone. Yes. And what we have seen time and time again, when companies invest in their facilities you get cleaner emission

units. And if you put barriers up to those investments you won't get cleaner units.

Mr. Harper. And for the others on the panel for other state and local regulators, would you like to comment on the impacts of the 2015 ozone standards on the impacts on pre-construction permitting? Anybody else, the permit question?

Mr. Karperos. We haven't experienced in California that the setting of these standards has hindered us in our ability to offer permits.

Ms. Vehr. And this is Nancy from Wyoming. And what helps companies is know what standard they are held to. So when you have that certainty that you are held to the current standard and you have got a complete application in place --

Mr. Harper. Right.

Ms. Vehr. -- sometimes these applications take 18 months to do the technical analysis, and so knowing what that standard is when it is permitting is helpful.

Mr. Harper. Thank you very much.

Mr. Sadredin, may I ask you a question, please. Is it correct that under the Clean Air Act states and local governments can become subject to fees or monetary penalties due to emissions outside their control?

Mr. Sadredin. Right. That is exactly the situation that we are experiencing right now with the 1-Hour Ozone Standard which

was revoked by EPA. But old standards never go away the way EPA regulations work. Valley residents are paying about $29 million in penalties every year right now because of the valuation of that standard. But we, by the way, fortunately you have heard we have attained now, but it is a long process to remove those penalties.

And as we move forward with the new standards today, we are in a position of costly, devastating federal sanctions are imminent in San Joaquin Valley for the standard that lies ahead in terms of PM2.5, as I have described in my written testimony.

Mr. Harper. Okay. And I know my time is almost over. But are mobile sources a particular concern in your air quality region?

Mr. Sadredin. In San Joaquin Valley the stationary sources, which include agriculture, oil and gas production, your ma and pa operations, all the way to your biggest manufacturing, they make up only 15 percent of the pollution now because we have imposed the toughest regulations in the nation on them. Right now, despite great work at the state Air Resources Board, the truck regulations and all of that, today 85 percent of our air pollution in our region comes from mobile sources which we have no regulatory authority over.

Mr. Harper. Okay. Thank you very much. And my time has expired. I yield back.

Mr. Shimkus. The gentleman yields back his time.

The Chair now recognizes the gentleman from California Mr. Cardenas for five minutes.

Mr. Cardenas. Thank you very much, Mr. Chairman. Appreciate the opportunity for us to explain to the public how important this issue is.

One of the unfortunate aspects of what we are talking about today is the most costly effects are not immediate and they are long term, and they are not just about quantitative, it is quality of life that we are talking about as well. So this makes it a very esoteric conversation.

Yet, at the same time it allows us to either focus mainly on how does it affect the day to day and today, especially when it comes to pointing out the difficulties of businesses. And sometimes businesses find themselves in a quandary, and maybe even go out of business while they are waiting to find out their future and what is at stake here in this particular matter.

Yet, at the same time if we were to, unfortunately, become too lax and relaxed about requirements and protecting the today and the tomorrow, then we could find ourselves with burdening costs that are just unquantifiable, as a matter of fact. Unquantifiable not because they are too small, but unquantifiable because they are just so massive and the effects are so negative that it is something that we can only admit afterwards that, wow, we screwed up, we made a mistake, we were too lax.

In Los Angeles where I represent, in the L.A. Basin, it has some of the worst air pollution in the country. And L.A.'s geography, weather, and huge number of vehicles makes us ground zero for ozone pollution. When ozone levels pike, so do hospital admissions for things like respiratory infections and asthma.

Since 2000, ozone levels have decreased by 30 percent in the L.A. Basin through a combination of local, state, and federal efforts. But the region still doesn't meet federal air quality standards. Plans to deal with this problem have often been vague and long-term strategies to reduce emissions.

I think what we need to do is to try to incentivize companies and individuals to switch out polluting technology for cleaner, currently-existing technology, and invest in research to develop better technology.

Mr. Karperos, can you please tell me what is currently being done to incentivize these new technologies?

Mr. Karperos. When we, when the California Air Resources Board assessed the need for cleaner trucks, for example, some five or six years ago, we identified that a modification and optimization of existing technology would reduce emissions from tucks by 90 percent. We have adopted a standard, an optional standard to do that.

Tomorrow we will make a commitment to adopt a regulation to ensure that all trucks sold in California meet that standard. And

then we are pairing that up with large incentive dollars to accelerate the turnover of that fleet.

If I may very briefly to the question of fees on businesses in the San Joaquin Valley, those fees are actually levied on vehicle registrations, so it is paid by motorists. And that money is turned right around and used to support the incentive turnover of trucks. So it is actually getting right at mobile sources.

Mr. Cardenas. So you just described that the government actually, you said, incentivizes. Incentivizes by patting them on the back and then a little certificate? What do you mean by incentive?

Mr. Karperos. Offering financial incentives to accelerate. They would not be able to purchase a new piece of equipment as quickly as required under the Clean Air Act timelines. We offer up money that helps them purchase that piece of equipment sooner.

Mr. Cardenas. Oh, okay. So incentivize with actual real dollars.

Mr. Karperos. Yes, sir.

Mr. Cardenas. So that people can do the right thing, corporations or individuals can do the right thing, and at the same time they can get some help in actually doing the right thing?

Mr. Karperos. Absolutely.

Mr. Cardenas. Okay. Does anybody on the panel want to give an example of how perhaps those incentives are unwelcomed or

inadequate? I knew it was going to be you. Go ahead.

Mr. Sadredin. Yes. We believe there is a greater need for the level of funding that is available right now. In our region alone, over the last 10 years, we have spent $1.6 billion in public/private funding for incentive measures to reduce air pollution and also invest in the economy. It has reduced air pollution in our region by over 130,000 tons.

We have, we still have major challenges. We need another 90 percent reduction in emissions. And, if anything, we need more funding in that area to both improve air quality but also help the economy.

Mr. Cardenas. So what you just described, are you describing that as a positive or a negative?

Mr. Sadredin. It is positive but the negative part of it is that the resources have not been enough. We need more assistance from the state and Federal Government at the local level to be able to do this.

Mr. Cardenas. Okay. So, in a nutshell, you would welcome these stringent requirements if in fact there was more support to actually meet those requirements?

Mr. Sadredin. The support and also the time to do it. You know, let's say I get $3 billion every year for the next three years for our region, it just takes time to be able to turn over 78,000 trucks, 300,000 vehicles. We just need to have the time

and resources to do it.

Mr. Cardenas. Thank you very much.

I yield back, Mr. Chairman.

Mr. Shimkus. The gentleman's time has expired.

The Chair now recognizes -- we have abundance of Californians on this committee -- the gentlelady Ms. Matsui for five minutes.

Ms. Matsui. I hope that is a compliment, Mr. Chairman.

Mr. Shimkus. I am not sure.

Ms. Matsui. The Clean Air Act provides clear and well-documented public health and environmental benefits. This is the very first point that is considered when discussing the Clean Air Act and ozone regulations. The law has improved the lives and the health of so many Americans.

The American Lung Association reports our nation's air quality has continued to improve over the last few decades. But despite the great strides we have made, we have a long way to go. Clean air is not a luxury. Breathing is not optional. We all need clean air to live. We, in Congress, should be facilitating the federal partnership with local agencies that want to improve air quality, not hindering it.

Mr. Karperos, I am glad to hear that many of the regions across our state are not delaying efforts to improve air quality, but instead seizing the opportunity to create a healthier environment for Californians. But I know that some Californians

benefit from these air quality improvements more than others. Are there certain populations in the state, even within the same region, whose health benefits more from air quality improvements? Do the disadvantaged and minorities feel the impacts of bad air quality to a greater degree than others?

Mr. Karperos. Thank you for that question. That is a very, very important question.

We have made significant progress in California in terms of lowering pollution. But let me give you sort of a fact, the major, the still disproportionate impact we see on disadvantaged communities.

My agency did a detailed analysis that showed in about 2000 that residents of disadvantaged communities, low income of color, were exposed to about three times as much diesel PM, cancer-causing diesel PM, than people who lived in wealthier communities. We have reduced that considerably but it is still two times the exposure to diesel PM if you live in a disadvantaged community compared to a wealthier community.

Ms. Matsui. While the Clean Air Act's science-based standards are very important, I also believe that other EPA programs that provide a federal partnership for improving air quality are critical. I am particularly supportive of the EPA's Diesel Emissions Reduction Act grant program, or as we call it, DERA, which has helped clean up and retrofit diesel engines in

Sacramento and every state across the country.

I am very concerned by the administration's move to slash funding for these types of important programs. Have you found that federal funding in programs play an important role in CARB's work? Which federal programs have been the most vital?

Mr. Karperos. There is a number of programs that I want to speak to. But funding across the board has been extraordinarily important: funding for EPA so that they can produce the guidance that the states need; the monies you spoke to, the DERA program, to fund the replacement of diesel equipment and the financial incentives so we can use that to accelerate the turnover.

And another program that has been extraordinarily successful in the San Joaquin Valley is monies to help farmers buy new tractors, much, much cleaner tractors.

Ms. Matsui. Okay, great.

Mr. Sadredin, as I mentioned, I believe the DERA grants are an important tool for reducing diesel emissions from older engines and improving over all air quality in California. I understand that your air pollution control district has benefitted from the DERA program.

How many DERA grants has your air quality district received?

Mr. Sadredin. We have been fortunate to receive DERA funding almost every year. We have always advocated in Congress for full funding of that program. Unfortunately, even the previous

administration every year zeroed out that account, and we had to work with you and the rest of the Congress to get funding in that program. So, if anything, we need more funding in that area and full funding of the DERA program.

Ms. Matsui. So you really have benefitted from this DERA funding in you region?

Mr. Sadredin. Yes, we have.

Ms. Matsui. In the past you said incentive programs are critical to get the valley into attainment as quickly as possible. What will be the impact in the San Joaquin Valley if DERA and other federal incentive programs are dismantled?

Mr. Sadredin. There is no way that we can reach these federal standards on the back of businesses alone and with regulations only. If you adopt a regulation, you still have to wait for the turnover and then the lengthy time that it takes. Incentives, with matching funds from the public, from the private sector they actually leverage those federal dollars quite a bit; they are critical.

There is no way or us to reach the standards without significant funding at all levels, local, state, and federal, for incentive fundings such as DERA, targeted air shed grants, and NRCS funding that was mentioned earlier. All those are critical to meeting our objective to meet the standards as expeditiously as possible.

Ms. Matsui. Okay, thank you. And I yield back.

Mr. Shimkus. The gentlelady yields back her time.

Seeing now other members present, we really want to appreciate your testimony and, you know, your diligence. I thought it was a great hearing. I think members got a lot out of it. And it will allow us, hopefully, to move forward.

I have got a couple of documents that have been asked to be submitted for the record. And you guys follow this and make sure I don't miss anything.

Ms. Tonko. Okay.

Mr. Shimkus. Testimony of Glenn Hamer, Arizona Chamber of Commerce and Industry, from the Senate Environmental and Public Works Committee; a Study on the Surface Ozone Trends from the Journal of Atmospheric Chemistry and Physics; a majority hearing memo.

We have got a letter by a lot of health groups, dated March 21st, 2017, from the Allergy and Asthma Network to the Trust for America's Health.

We have a letter to me from the Central Valley Air Quality Coalition; another letter from the same organization on October 25th, 2015.

We have another document from them, San Joaquin Valley 2017 Plan for the 2012 PM2.5 Standard.

Fresno Bee article, Alex Sherriffs and John Capitman, "Don't

Back Off Demands for Cleaner Air."

And Office of the Commissioner from the New York State Department of Environmental Conservation.

American Chemistry Council, dated March 22nd.

And that is all I have, unless you all have anything else.

Ms. Tonko. Yes, I think you covered them all, Mr. Chair.

I would like to personally thank the Commissioner of New York State, Department of Environmental Conservation, Basil Seggos, for what I think is a very strong letter opposing H.R. 806. And he has outlined some very important information.

So I thank you. You have covered them all. And ask respectfully that they -- unanimous consent to place all of those in the record.

Mr. Shimkus. Without objection, so ordered.

[The information follows:]

**********COMMITTEE INSERT 7**********

Mr. Shimkus. Again, thank you for attending. And this is the first stop in moving the process forward. And we look forward to working with you during that process.

The hearing is adjourned.

[Whereupon, at 11:56 a.m., the subcommittee was adjourned.]