

May 12, 2015

The Honorable Kenneth I. Wright
Chairman - Hampton Roads Planning District Commission
The Regional Building
723 Woodlake Drive
Chesapeake, VA 23320

RE: Proposed EPA Ozone Regulations

Dear Mayor Wright,

A vibrant Hampton Roads region with good jobs for all is something we all strive for. Achieving that requires a balanced regulatory system conducive to a thriving economy. Unfortunately, Washington's overreach threatens that progress. A proposed U.S. Environmental Protection Agency (EPA) rewrite of ground-level ozone regulations would needlessly stifle future economic prosperity. We write today requesting that the Hampton Roads Planning District Commission formally oppose this harmful regulatory effort.

The EPA's proposed update to the National Ambient Air Quality Standard (NAAQS) regulation of ozone could lower the current standard from 75 parts per billion (ppb) to 65 ppb. That would have devastating economic consequences for Hampton Roads and other communities. The Virginia Department of Environmental Quality projects a 65 ppb standard would put the region's major cities – Portsmouth, Norfolk, Virginia Beach, Chesapeake, Suffolk, Hampton and Newport News – in non-compliance. That "nonattainment" status would force Virginia to develop a costly "State Implementation Plan" under the watchful eye of Washington regulators. It is projected that new ozone regulations would cause a \$69 billion loss of gross state product from 2017-2040; a loss of roughly 39,000 jobs per year; \$35 billion in compliance costs; a \$1,440 drop in average household consumption; and \$5 billion more for Virginians to own and operate vehicles. Despite those major costs, the EPA's interpretation is that real world costs are not a key factor in the regulatory process.

New regulations are unnecessary considering that government data shows national air quality has steadily improved since 1980. The current ground-level ozone standard adopted in 2008 is still being implemented. New regulations would result in more red tape for businesses looking to locate or expand in our area. Companies would be forced install costly emission reduction technology in order to meet these standards. Furthermore, individual drivers and companies with vehicle fleets could face costly annual emissions testing just to stay on the road.

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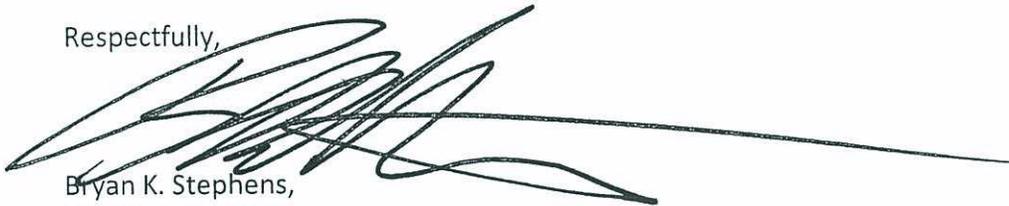
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No one disputes the need for the EPA to monitor air quality goals. However, those goals should be subjected to a cost-benefit analysis. In this case, it is clear that the potential cost of the proposed regulations far outweighs any tangible benefits. That is the conclusion reached by many of Virginia's key business sectors. The Virginia Chamber of Commerce, Virginia Manufacturers Association, Virginia Agribusiness Council, Virginia Farm Bureau Federation, Virginia Forest Products Association, Virginia Oil and Gas Association, Virginia Petroleum Convenience and Grocery Association, Virginia Truckers Association, and Virginia Petroleum Council all oppose lowering the current standard. And formal comment to the EPA that Gov. Terry McAuliffe's administration submitted in March cautions against significant regulatory revision.

We respectfully request the Hampton Roads Planning District Commission and the Mayors & Chairs Committee to reflect these concerns to the EPA and our Congressional Delegation.

Respectfully,

A large, stylized handwritten signature in black ink, appearing to read 'Bryan K. Stephens', with a long horizontal line extending to the right.

Bryan K. Stephens,
President and CEO
Hampton Roads Chamber of Commerce

CC: Randy Keaton, Interim Ex. Director - HPPDC