March 16, 2015

The Honorable Gina McCarthy
Administrator
U.S. Environmental Protection Agency
Air and Radiation Docket and Information Center
Mail Code: 2822T
1200 Pennsylvania Ave., NW
Washington DC, 20460

Submitted Electronically via www.regulations.gov

RE: Docket ID No. EPA-HQ-OAR-2008-0699 – National Ambient Air Quality Standards for Ozone

Dear Administrator McCarthy:

On behalf of the North American Die Casting Association (“NADCA” or “Association”); please accept these comments on the U.S. Environmental Protection Agency’s (EPA) proposed rule further regulating National Ambient Air Quality Standards (NAAQS) for Ozone (O₃). NADCA believes this proposed rule will bring little to no environmental benefit to the general public, while having a devastating impact on our nation’s economy. Therefore, NADCA strongly urges the EPA to withdraw this proposal and retain the current 75 parts per billion (ppb) ozone standard.

NADCA is the sole trade and technical association of the die casting industry, representing members from over 350 companies located in every geographic region of the United States. Die casters manufacture a wide range of non-ferrous castings, from automobile engine and transmission parts to intricate components for computers and medical devices. In the U.S., die casters contribute over $7 billion to the economy annually and provide over 50,000 jobs directly and indirectly.

While EPA’s goal is to reduce a source’s total emissions, whether through stricter controls or planning requirements, many small manufacturers are affected more than regulators may anticipate. Die casters like NADCA members are in a unique situation, as the structure of a typical die casting machine does not allow for an emissions capture apparatus in a cost effective manner nor in a way which will likely achieve the stated goals under NAAQS. Regardless of the technical feasibility of additional controls, a January 2003 study of the die casting industry showed an “analysis of samples taken from a die cast machine suggest very little if any residue is exhausted out into the environment.” Yet, the EPA’s initial designations will punish die casting manufacturers located in nonattainment or unclassifiable zones, while not addressing the Agency’s underlying goals.
**Allow Existing Standards Time to Work**

NADCA objects to the EPA’s action lowering permissible levels from 75ppb to 65ppb, largely because the current standards are working in areas where fully implemented. The EPA’s own data shows that ozone levels have fallen by a third since 1980 and by nearly 20 percent between 2000 and 2013. The EPA set the new standards barely five years ago, and if the Agency allowed the states to continue fully implementing the current law, the U.S. would see emissions reduced by another 36 percent.

NADCA has manufacturing members throughout the country in counties that have yet to meet the current 80ppb standards. For example, in Illinois’ Cook, Dekalb, and DuPage Counties, current levels all sit at 82ppb. The same applies to the thousands of manufacturers in Cleveland (80ppb), Cincinnati (81ppb), Philadelphia (84ppb), and St. Louis (82ppb).

We believe the federal government should allow today’s standards a chance to show fully their progress. It is the EPA that caused the delays in the initial release of the previous and latest standards, yet it is the manufacturing community who is paying the price. Many businesses in our industry plan on a ten-year cycle and cannot suddenly adjust their growth plans when the government arbitrarily alters the standards. Manufacturers need to know the rules in advance and cannot compete globally when their own government keeps changing the playing field underneath them.

Regulators at the EPA seemingly begin writing new emissions standards even before the current ones take effect. While Section 107(d) of the Clean Air Act (CAA) directs the EPA to issue designations for the country, the intent of the law gives states and local governments the “primary responsibility” to prevent and control air pollution. Therefore, even when the EPA has the authority to promulgate new emissions standards, the states must implement the new rules.

Clearly, this transition takes time and each state progresses differently. Meanwhile, it is the private sector who must wait for policymakers at the federal, state, and local levels before they can adjust their activities to comply with the latest standards. In many regions, manufacturers are only now beginning to see the full effects of the 2008 standards and yet are being told the EPA is proposing to change the rules yet again.

**Nonattainment Status**

Lowering the current standards to 65ppb places nearly the entire country into nonattainment status. In Ohio, no counties meet the latest proposed levels, only five in Pennsylvania, two in Indiana, and seven in Illinois. According to EPA’s own data, even our national parks, including the Grand Canyon and Yellowstone, would fail to meet the proposed NAAQs for ozone standards.

EPA’s designations of nonattainment, or unclassifiable, carries with it significant economic burdens and disputed public health benefits. Regardless of their merit, regulations that go beyond the current standards will add unnecessary cost and complexity without furthering the goals that Congress set forth in the Clean Air Act. Should the EPA issue a final nonattainment designation for a region, under 40 CFR part 81, subpart C, the federal government may, directly and indirectly, impose multiple stringent conditions on businesses before regulators allow the company to construct a new or modify an existing facility.

These restrictions will severely affect the local manufacturing community and their ability to compete globally against foreign businesses that do not face similar roadblocks to growth. The proposed standard may force die casting businesses to forgo expanding their facilities or purchasing new equipment for fear of exceeding the latest limits set by regulators in Washington. In other cases, due to the nature of die casting machinery, engineering equipment alone will not lead to the required reductions meaning some companies may have to idle certain operations or restrict their production output.
In a 2012 MIT study titled, “The Effects of Environmental Regulation on the Competitiveness of U.S. Manufacturing,” researchers found that there is a direct connection between a decline in manufacturing productivity and companies located in a nonattainment area. According to the report, “this corresponds to an annual economic cost from the regulation of manufacturing plants of roughly $21 billion in 2010 dollars.”

A nonattainment designation also has a significant impact on local infrastructure used to attract new business and investment to a region. For example, once an area is branded as nonattainment, federally-funded transportation projects are placed on hold unless the state demonstrates the projects will not increase ozone emissions. Without an improved or expanded infrastructure, new and existing businesses will have one more excuse to not create more jobs in their community.

Another critical factor in a major metropolitan zone is warehousing, freight and other transportation, and countless support services, which do not serve the local businesses but are simply “passing through”. For example, Chicago O’Hare has ranked as the world’s busiest airport for 36 years. While most people focus on passenger flights and their emissions, in 2012 Chicago O’Hare ranked in the top ten nationwide for cargo handled, much of which is destined for regions located outside of the Chicago metropolitan area. Factoring in rail and trucking, this area of the State is one of the busiest economic zones in the world, which brings significant benefits to the local population and state government. However, by the EPA’s reasoning, the Agency should trace the goods transported to their original source and penalize those communities as well for contributing to emissions in other parts of the country.

This economic activity comes with mobile emissions which counts against the local community under the EPA’s interpretation of the NAAQS. As a result, it is this local community who will suffer under a nonattainment designation even though their manufacturers, nor any in the region, are responsible for the released emissions. Essentially, this arbitrary and capricious rulemaking punishes businesses purely based on happenstance and activities completely out of their control.

**Conclusion**

NADCA believes that federal, state, and local governments should do all they can to foster an environment which encourages manufacturing in America, not erect self-imposed barriers. The EPA should allow the public time to witness the benefits from the existing NAAQS for Ozone standards before lowering the standards to 65ppb. Manufacturers need stability to help plan for their expansion and hiring, however, the federal government continues to change the rules.

Government officials, from President Obama to local representatives, recognize that manufacturing is the engine driving the country out from the Great Recession. At a time when businesses are already facing challenges at home and competition from overseas, our government should not erect additional barriers to restrict manufacturing job growth.

Thank you for your consideration of these comments and we look forward to working with you to strengthen manufacturing in America.

Sincerely

Daniel Twarog
President
North American Die Casting Association