

**SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS**  
**Field Hearing**  
**“Impacts of the Environmental Protection Agency’s Proposed Ozone  
Standard on Manufacturing and Utilities”**  
**Tuesday, September 1, 2015**  
**Columbus, Nebraska**

**OPENING STATEMENT**

*(Pound gavel.)* This hearing will come to order

Good Morning. I am pleased to convene the Senate Environment and Public Works Committee for a field hearing, which is titled “Impacts of the Environmental Protection Agency’s Proposed Ozone Standard on Manufacturing and Utilities.” It is wonderful to host this hearing right here in Platte County, where the average unemployment rate is a mere 3.24 percent<sup>1</sup> and a thriving manufacturing industry serves as the foundation for many surrounding, local communities. I would also like to extend a special thank you to Central Community College for providing today’s accommodations.

Today, we welcome a group of Nebraska stakeholders to share their perspectives on the Environment Protection Agency’s (EPA) proposed rule to reduce the allowable concentration of ground-level ozone from 75 parts per billion to between 65 and 70 parts per billion.<sup>2</sup> Today’s hearing allows us to explore this issue in depth and determine the impacts this proposal will have on Nebraska families, businesses, and utilities.

The EPA’s proposal has been called the most expensive regulation of all time.<sup>3</sup> Regardless of one’s view on this proposal, we can all agree the American people deserve to know the real cost of this regulation. Additionally, it is unclear whether the new standards provide any real health benefits. There are also serious flaws with the EPA’s methods and modeling for the proposal. For example, the EPA did not consider personal exposure to ozone, which is the concentration people actually breathe in, when setting the standard. Instead, the agency used outdoor monitoring data that significantly overestimates the risk.

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<sup>1</sup> Columbus Nebraska Area Chamber of Commerce, <http://www.thecolumbuspage.com/Area-Facts/EconomicFacts.aspx>

<sup>2</sup> <https://www.federalregister.gov/articles/2014/12/17/2014-28674/national-ambient-air-quality-standards-for-ozone>

<sup>3</sup> <http://www.nam.org/ozone/>

Furthermore, the EPA's own assessment indicates that lowering ozone concentrations would actually result in *more* deaths in some instances.<sup>4</sup> This alarming result either shows a stricter standard would not achieve its objective, or that there are serious problems with the EPA's methodology.

While questions remain about the scientific evidence used to justify the EPA's proposal, there is no question that this new standard would be economically devastating.

A stricter ozone standard would put 57 Nebraska counties in "non-attainment." This includes rural counties that have less than one person per square mile. This rule would also expose urban areas like Omaha, which currently complies with federal clean air standards, to harsh regulations that will stifle new and existing industry growth, as well as impede transportation infrastructure improvements.

Moreover, the EPA's proposal would require power plants and industrial facilities across Nebraska to install expensive ozone control equipment, limit production, or buy "offsets," which would stifle economic growth. Nebraska is the only 100 percent public power state in the nation. This means that our citizens own their electricity. The additional compliance costs imposed by this proposed rule would be passed down to small businesses and families, resulting in a \$370 drop in average household consumption per year.<sup>5</sup>

Nebraskans value clean air. Our businesses and utilities take seriously their role in protecting air quality. However, many communities are still struggling to achieve the standards that were set in 2008. Stricter standards would put an additional burden on communities across the state. In some cases, due to background ozone levels, attainment would be virtually impossible to achieve.

I have serious concerns about imposing additional rules, regulations, and permitting requirements on our nation's job creators and electricity providers. I have, and will continue, to support every legislative opportunity to force the EPA to withdraw this dangerous proposal and maintain the current ozone standard.

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<sup>4</sup> Will EPA's Proposed Ozone Standards Provide Measurable Health Benefits, Dr. Michael Honeycutt, Director, TCEQ Toxicology Division, <https://www.tceq.texas.gov/publications/pd/020/2014/will-epas-proposed-new-ozone-standards-provide-measurable-health-benefits>

<sup>5</sup> What Could New Ozone Regulations Cost Nebraska, National Association of Manufacturers, <http://www.nam.org/Issues/Energy-and-Environment/Ozone/State-Data/Nebraska-Ozone-Data-2015.pdf>

We should not be in the business of creating unnecessary regulations. Instead, we need to explore policy options that promote growth.

I am entering into the hearing record comments submitted by the Nebraska Department of Environmental Quality, the Omaha Public Power District, and the Norfolk Area Chamber of Commerce. Each set of comments states that the current ozone standard of 75 parts per billion should be retained. Additionally, I am also submitting to the record testimony from Dr. Bryan Shaw, Commissioner of the Texas Commission on Environmental Quality who provided testimony for a committee hearing on this topic last December. He states “that EPA’s process of setting ozone standards has not scientifically proven that further lowering of the ozone standard will fail to provide any measurable increase in human health protection.”

Today’s panel represents diverse perspectives on the effect of the proposed rule to lower the ground-level ozone standard. I’m eager to hear further details from our panelists on the challenges each industry and business will face if and when EPA finalizes this proposed rule.

Today’s hearing will begin with a witness who can speak to the importance of providing affordable and reliable electricity to Nebraska rate payers. Russ Baker is the Manager for the Omaha Public Power District’s Environmental and Regulatory Affairs Division. Mr. Baker plans, organizes, and directs OPPD’s environmental compliance programs and related regulatory matters across the districts nuclear, coal, natural gas, and ever increasing renewable generation fleet. Mr. Baker has been with OPPD since 2000, and has worked in environmental affairs for nearly a decade. In addition to his tenure at OPPD, Mr. Baker has also served on the Board of WasteCap Nebraska, a non-profit organization dedicated to helping businesses and communities in Nebraska reduce and eliminate waste in Nebraska. Russ, I am eager to hear how this proposed rule will impact our public power utilities. Please begin your testimony.