

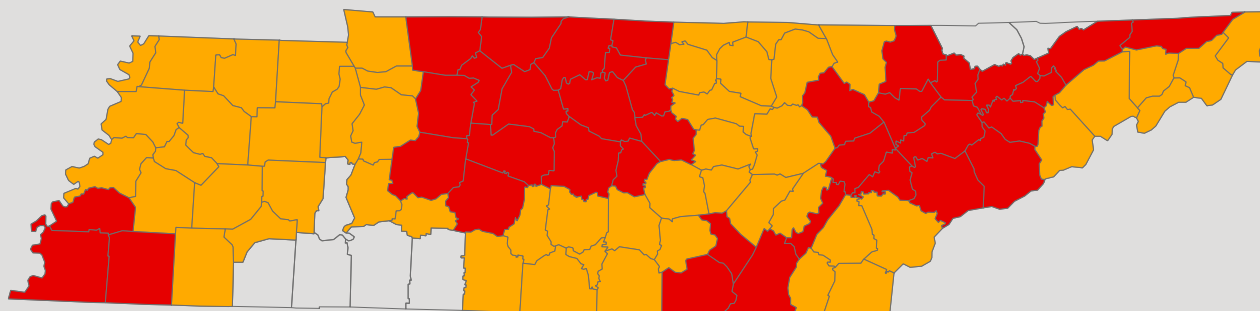
NEW OZONE RULES COULD BE **MOST EXPENSIVE REGULATIONS EVER**

What Could New Ozone Regulations Cost Tennessee?¹



\$47.9 Billion Gross State Product Loss from 2017 to 2040
27,360 Lost Jobs or Job Equivalents per year

TENNESSEE | Tennessee would be in partially out of attainment*



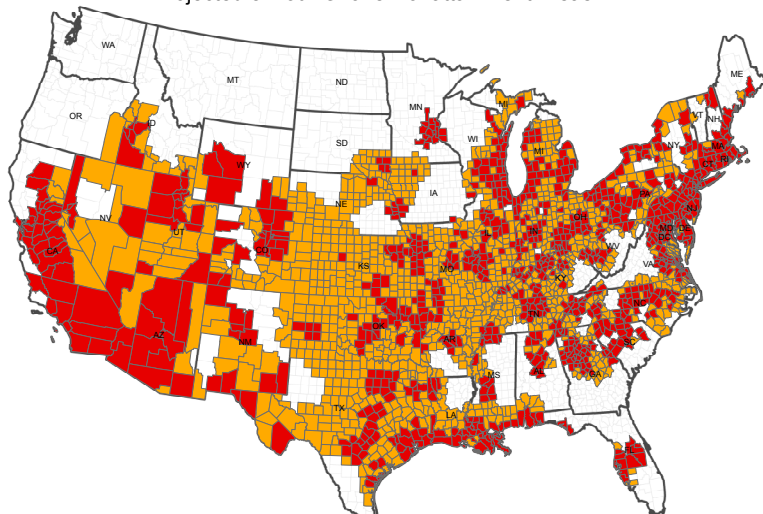
*** It Gets Worse for Counties in the Red and Orange**

1. Manufacturers won't be able to expand unless other businesses in the area shut down.
2. Federal highway funds could freeze.
3. Economic growth will halt.

Source: URS, July 7, 2014. Assumes all counties in a metropolitan, micropolitan or combined statistical area will be included in any potential nonattainment area. Some counties could be excluded and other included at the time of designation. Based on a 3-year period, 2011–2013.

- Monitored CBSAs and rural counties that would be violating a 65 ppb standard
- Unmonitored areas that are anticipated to violate a 65 ppb standard based on spatial interpolation

Projected 8-Hour Ozone Nonattainment Areas



The recent study by NERA Economic Consulting found that a stricter ozone regulation at 65 ppb could cost the U.S.:¹

- » **\$140 billion** in lost GDP per year and **\$1.8 trillion** from 2017 to 2040; and
- » **1.4 million** fewer jobs or job equivalents per year on average through 2040.

Based on 2011–2013 data accessed from <http://www.epa.gov/airtrends/> and <http://www.epa.gov/airdata/>.

EPA SHOULD NOT CHANGE THE CURRENT OZONE STANDARDS



DON'T IMPOSE UNNECESSARY REGULATION

The U.S. government has a responsibility to keep federal regulations sensible and not change standards on businesses and consumers needlessly.

GIVE STATE AND LOCAL GOVERNMENTS A CHANCE TO MEET THE MOST RECENT STANDARDS BEFORE CHANGING THEM AGAIN

Despite having spent billions of dollars on reducing air pollution, several metropolitan areas are having a very tough time meeting the current standards. The EPA should focus on helping these communities meet the old standards before placing new standards.

DON'T SET STANDARDS THAT CAN'T BE ACHIEVED BECAUSE OF BACKGROUND LEVELS

There are many areas of the country where the naturally occurring level of ozone is above what the EPA is considering, so it is not right to hold a county or state to a standard that is impossible to reach.

DON'T SET STANDARDS THAT THREATEN AMERICA'S COMPETITIVENESS AND AMERICAN JOBS

Tightening ozone standards could increase costs to the American public, reduce America's ability to compete internationally, and threaten American jobs.

Costs could be even higher if EPA finalizes a 60ppb standard, which is included in the proposal. These standards could reduce U.S. GDP by **\$270 billion** per year and **\$3.4 trillion** from 2017 to 2040 and result in **2.9 million** fewer jobs or job equivalents, according to a previous study by NERA Economic Consulting.

AIR QUALITY PROGRESS WILL CONTINUE

The nation's air quality has improved over the past several years, and ozone emissions will continue to decline without new regulations.

HEALTH DATA SHOW THE CURRENT STANDARDS ARE PROTECTIVE

These new standards are not justified from a health perspective because the science is simply not showing a need to reduce ozone levels.

GET INVOLVED: See what actions you can take at: <http://www.energytomorrow.com/>

LEARN MORE: Find the new study by NERA Economic Consulting at: <http://www.nam.org/ozone>