

GRINDING TO A HALT

EXAMINING THE IMPACTS OF NEW OZONE REGULATIONS ON KEY TRANSPORTATION PROJECTS

What is Ozone?

Ozone is a gas composed of oxygen molecules that occurs naturally in the atmosphere and is formed after combustion in sources such as vehicle engines or manufacturing and industrial activities. Since 1980, the United States has cut ozone related emissions in half. In 2008, EPA tightened ozone standards from 80 to 75 parts per billion (ppb)—a level that some areas of the country have yet to meet.

What's on the Table Now, and What Does It Mean?

Now, the Obama Administration is proposing a new standard of 65 to 70 parts per billion. 331 counties will be in violation of the new standard, and another 227 in compliance with the 2008 standard will now once again find themselves in trouble. These areas will face red tape and regulatory restrictions that cripple business investment and job growth.

In Nevada alone, the rule is projected to reduce state GDP by \$19 billion between 2017 and 2040, and reduce employment by 6,000 jobs annually.

Can't These Areas Find Ways to Comply?

It will be very difficult to meet the new standards. Cost-effective solutions to achieve compliance have largely been exhausted, and in many cases the technology simply doesn't exist to meet the new standards. EPA itself admits that in order to comply with a 65 ppb standard, 40 percent of reductions must come from "unknown controls" that don't currently exist.

EPA's proposed level is so stringent that even the Grand Canyon, Yellowstone, and Great Basin National Parks will likely violate the new regulations.

Don't Just Take Our Word For It

Unfortunately, the Proposed Rule seeks to impose new regulatory standards at or below background ozone levels for many western air quality control regions, meaning that no amount of technological innovation (or costs expended) will allow those regions to reach attainment status."

– States of ND, AL, IN, WY, MS, and WV

What Happens if a Region Cannot Comply?

The federal government will impose penalties. In addition to harsh regulatory restrictions that serve as a handcuff on economic development, the Clean Air Act authorizes the withholding of transportation funding for projects of all types—from highways to mass transit. Since Metropolitan regions are reliant on federal funding for many critical projects, numerous improvements would be at risk.

Adding insult to injury, construction delays resulting from withheld transportation funding will only worsen traffic congestion, thereby increasing ozone-forming emissions. State and local governments, which already devote scarce resources to prepare plans that comply with regulations, have expressed serious concerns about the additional burdens imposed by this new ozone rule.

Local contributions are so minor that, if areas within Nevada's jurisdiction are in nonattainment with the new proposed standard, the NDEP will be in the untenable position of having no meaningful control strategies to achieve attainment with the new standard."

– Nevada Department of Environmental Protection

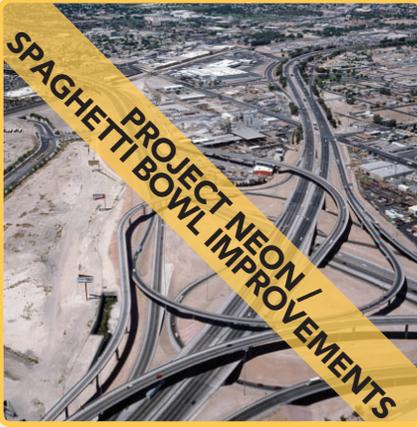


Image: Library of Congress.



THE IMPACT OF NEW OZONE REGULATIONS ON THE LAS VEGAS REGION

As Las Vegas area commuters know well, the region already suffers from some of the worst traffic conditions in the country. Unfortunately, under the Obama Administration's proposal, Clark County will have extreme difficulty achieving compliance with new ozone standards, meaning that the EPA can begin withholding transportation funding as early as 2018. This action would deal a major blow to the region's efforts to improve transportation in the wake of longstanding efforts to secure funding for congestion reduction and improved mobility.

Which Projects could be Impacted?

If Clark County and the Las Vegas region is unable to demonstrate compliance with EPA's proposed ozone standard by the 2018 deadline, at least 10 projects slated to receive \$346 million in FY 2018 and FY 2019 would be put at risk of a cutoff in federal funding and a freeze on many federal permits and approvals. Further, up to 12 additional projects awaiting \$1.44 billion in funding between FY 2017-FY2020 could also be put at risk, depending on project timing and advancement.

This includes the following major area highway and transit projects:

- CC-215 Las Vegas Beltway widening (multiple projects)
- I-15 Project Neon (various phases)
- Boulder City Bypass (future I-11)
- I-15 Interchange at Starr Ave
- SR 160 - Blue Diamond Road widening
- I-15/215/Tropical Interchange improvements
- Las Vegas Monorail extension
- Implementation of new Bus Rapid Transit System

These potential impacts are likely to increase significantly as the deadline nears and more projects secure funding and approval to proceed to development and construction. Dozens of additional projects costing several billion dollars that have yet to take shape but are considered key unfunded needs for the region could also be delayed or placed at risk by a conformity lapse. Further, such penalties will have a ripple effect on impacted areas, as delays and inflation increase project costs, and state and local governments divert significant resources to avoid and address potential violations. Compliance measures may also result in impacts to stationary sources of emissions, such as industrial facilities or power plants.

Where Can I Learn More?

A complete description of compliance challenges and potentially impacted transportation projects in the Las Vegas region is detailed in our full report, available at www.energyxxi.org/grindingtoahalt

TAKE ACTION: Visit www.energyxxi.org/grindingtoahalt to learn more and help protect critical transportation funding.



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