Ozone Standards Clips – 9/7/2011 – Round 6

- CBS (Political Hotsheet) – “Al Gore: Obama isn't "relying on science”
- The Hill – “EPA air chief declines to weigh in on Obama's ozone decision”
- Politico – “McCarthy to Congress: Back off air toxics rules”
- CNN Money – “Does a healthy environment harm jobs?”

Editorial:

- Dallas Morning News – “Editorial: Obama’s shortsighted decision on ozone standards”
- New York Times – “Letters: Obama Blocks an Air Pollution Rule”
- Washington Post – “Robinson: Ozone outlook mostly cloudy “
- Huffington Post – “Al Gore: Obama’s EPA – Confronting Disappointement”
- The Economist – “The administration hands a victory to America’s polluters”
- Sydney Morning Herald – “Breathe, Easy, Regulation’s No Dirty Word”

Al Gore: Obama isn't "relying on science"

September 7, 2011 7:10 PM
By Brian Montopoli

(Credit: AP Photo) Al Gore has posted a note entitled "confronting disappointment" in which he takes President Obama to task for "[bowing] to pressure from polluters" in ordering the Environmental Protection Agency not to seek a tightening of air-quality standards.

The EPA's proposal had been under fire from Republicans and business groups who cast it as job-killing regulatory overreach. The new rules, which would have strengthened air quality standards beyond where they stand in many states, could have forced reductions in oil and gas projects, the Wall Street Journal reports.

"President Obama ordered the EPA to abandon its pursuit of new curbs on emissions that worsens disease-causing smog in US cities," Gore wrote, after lauding the recent protest of the "tar sands pipeline" at the White House. "Earlier this year, the EPA's administrator, Lisa Jackson, wrote that the levels of pollution now permitted -- put in place by the Bush-Cheney administration-- are 'not legally defensible.' Those very same rules have now been embraced by the Obama White House."

Jackson had submitted the standards, called the Ozone National Ambient Air Quality Standards, in January of last year. In his statement announcing the decision to ask her to withdraw them - which was released on the Friday before the Labor Day holiday, a prime time to bury negative news - Mr. Obama said his administration has taken "some of the strongest actions since the enactment of the Clean Air Act." Yet the decision infuriated environmentalists already frustrated by the lack of serious action to combat climate change during the Obama presidency.

In his note, Gore went on to suggest Mr. Obama was ignoring both economic and scientific concerns.

"Instead of relying on science, President Obama appears to have bowed to pressure from polluters who did not want to bear the cost of implementing new restrictions on their harmful pollution--even though

economists have shown that the US economy would benefit from the job creating investments associated with implementing the new technology," he wrote.

Added the former vice president: "The result of the White House's action will be increased medical bills for seniors with lung disease, more children developing asthma, and the continued degradation of our air quality."

EPA air chief declines to weigh in on Obama's ozone decision

The Hill
By Ben Geman
09/08/11 12:44 PM ET

The Environmental Protection Agency's top air quality official declined Thursday to assess President Obama's surprise decision last week to scuttle planned EPA rules to toughen Bush-era smog standards.
"The president issued a statement and it should speak for itself," said Gina McCarthy, EPA's assistant administrator for air and regulation.

Rep. Steve Scalise (R-La.) asked her about Obama's decision to override EPA during a hearing of an Energy and Commerce Committee panel. Pressed further, McCarthy added:
"The president made a decision and he asked the agency to pull back that rule and clearly the agency will. We will work very aggressively on the next review, which is what he asked us to do, the most current science, and we will move forward in 2013."
The administration plans to reconsider the standard in 2013.
Update: McCarthy, when the ozone standard came up again at the hearing, said "The president made a sound decision and the agency is following it."
But speaking briefly to reporters outside the hearing, McCarthy steered clear of addressing the merits if the ozone decision.
"I was asked whether or not the president had made a decision and if I agreed with it, I indicted that the president had a clear statement on that issue, that was his choice, and the administration is following it," she said.
Obama, in announcing the ozone decision Friday, cited the need to reduce regulatory burdens and uncertainty, especially during the economic recovery.
He also suggested that the ozone rule was a special case. "Work is already under way to update a 2006 review of the science that will result in the reconsideration of the ozone standard in 2013," Obama said Friday in a news release. "Ultimately, I did not support asking state and local governments to begin implementing a new standard that will soon be reconsidered."

The White House had come under immense pressure from industry groups and Republicans who alleged the rule would hinder the economy.

But the White House also vowed to hold firm on other Clean Air Act rules that Republicans are pushing to delay or scuttle.

EPA Administrator Lisa Jackson was brief in a prepared statement last week on Obama's decision to override EPA on the ozone rule — a rule she has touted as vital to reducing the public health impacts of smog.

“We will revisit the ozone standard, in compliance with the Clean Air Act,” said Jackson, who had previously cited concerns the Bush-era ozone standards are "not legally defensible." But her comment also touted other EPA efforts to cut air pollution.

Jackson also noted that under Obama EPA has made “tremendous progress” and cited measures to cut nitrogen oxide and sulfur dioxide from power plants, upcoming rules to cut mercury emissions from power plants, and other protections the agency is enacting.
This post was updated at 12:58 p.m.

McCarthy to Congress: Back off air toxics rules

Politico
By Robin Bravender
9/8/11 1:27 PM EDT

The EPA’s top air official wants Congress to lay off her agency’s rules aimed at slashing air toxics from cement plants and industrial boilers.
Two House bills that would force the EPA’s hand on rules aimed at cutting mercury and other air toxics “directly attack the core of the Clean Air Act” and would “indefinitely delay the important health benefits from national limits of air toxics,” including mercury, EPA air chief Gina McCarthy told the House Energy and Power Subcommittee on Thursday.
Backers of the GOP-led bills — which both have bipartisan support — say imposing delays on the air toxics rules will prevent job losses and give the agency time to craft more flexible, industry-friendly rules. They also note that EPA officials have already asked for more time to reconsider the final rules to cut pollution from boilers and incinerators.
But McCarthy said her agency isn’t looking for help from Capitol Hill.
“We did not ask for this; we do not need this,” McCarthy said of the bills. “We can get these done and we can get them done without any assistance from the legislature, using the administrative process.”
The House bills would force the EPA to wait at least 15 months to re-propose and finalize new rules for the industry sectors. They would also extend the three-year compliance deadlines for industry to at least five years.
McCarthy and House Democrats warned that the measures would block significant public health benefits by indefinitely punting rules that are already long overdue.
The bills would allow indefinite delays by “eliminating the Clean Air Act deadlines for rulemaking and setting no new deadlines,” said House Energy and Commerce Committee ranking member Henry Waxman (D-Calif.).
According to the EPA’s analysis, delaying just the major source boiler rule by three years would allow up to 20,000 additional premature deaths, 12,000 additional heart attacks and 123,000 asthma attacks, McCarthy said in her written testimony.
Under the House bills, the EPA wouldn’t be able to finalize replacement rules before March 2013 at the earliest, McCarthy said. That timeline would also punt the rules past the 2012 election, and critics of the bills accuse backers of attempting to punt the rules to a different administration.
But supporters of the bills rejected efforts to characterize the bills as rollbacks of pollution rules.
“Quite the contrary,” said Energy and Power Subcommittee Chairman Ed Whitfield (R-Ky.). “Both the cement and boiler bills allow — and in fact require — that new emissions controls be implemented. But they replace unrealistic targets and timetables with achievable ones.”

Whitfield cited industry estimates that as many as 20 percent of domestic cement plants would be forced to shutter under the EPA cement rules, and that the threat to jobs is “even greater” under the boiler rule because of the wide variety of employers that will be affected.
House GOP leadership has announced plans to bring both bills up for floor votes the week of Oct. 3.

Does a healthy environment harm jobs?

CNN Money
By Steve Hargreaves
September 8, 2011: 4:31 PM ET

Industry says millions of jobs will be lost if the EPA enacts planned regulations. Others say this is just a scare tactic and should be ignored, especially when lives are at stake.

NEW YORK (CNNMoney) -- Despite easing off on one particular clean air regulation last week, there's every indication President Obama plans on tightening a half-dozen other environmental rules in the months ahead.

That has become a lightning rod for the business community and Republican lawmakers. With the economy on the brink of a second recession and job creation anemic, many say now is not the time to combat pollution. The regulations, they say, will result in factory closures and jobs losses just when the nation needs them least.

01Print On the other side are supporters of stricter pollution controls, including environmental groups and public health advocates like the American Lung Association. And they say industry always cries "job losses" whenever it's told to clean up its act.

Those job losses are seldom as bad as feared, the advocates say, because cleaning up the environment actually creates jobs as companies buy and install pollution-control equipment. Plus, they say the benefits far outweigh the costs overall because fewer people need health care or call in sick to work.

However, this debate has been taking place nearly since Henry David Thoreau sat on the banks of Walden Pond, and no clear victor has ever emerged. Each side has numbers and studies to support its case.

A ratcheting up: What's clear is the regulations are getting stricter, and it's not entirely Obama's fault.

The Clean Air Act, first passed under President Nixon in 1970 and strengthened under the first President Bush, requires the Environmental Protection Agency to update pollution standards every five years. The science regarding how much pollution people can handle without getting sick gets better as time passes, the thinking goes, as does the technology available to clean things up.

The president has the power to stop the EPA, although that power is subject to court challenge. Congress can also stop the agency if it changes the law. But baring either of those events, the EPA has the authority to act on its own, and that's exactly what it's doing.

EPA scientists, having determined that air pollution is worse for people than previously thought and that improved technology to clean it now exists, have been urging stricter air-quality standards since at least 2004.

The administration of George W. Bush refused to implement those standards, which drew a court challenge from the environmental and public heath community. They backed off only when Obama took office and promised to tighten the rules. Now that he's also punting on one of them -- the smog standard -- those court challenges are back on.

Obama backs off tough clean air regulation
But in addition to the smog standard, several other rules are in the process of getting tightened by the EPA.

They include one requiring industrial boilers -- the type used in factories, buildings or campuses to create heat or electricity -- to be much cleaner. They also include similar rules for utilities and cement plants, as well as a novel plan to regulate greenhouse gases.

At a paper mill: How these rules affect each industry varies greatly. Take a paper plant.

Under the new rules, many of the massive boilers in paper plants -- which can be several stories high -- would need to be completely reengineered to meet the new standards. The reengineering could include the addition or reconfiguration of pipes and valves, modifications to let the boilers burn a different type of fuel or the installation of additional filters on the smoke stacks.

The paper industry says this would cost billions. On Wednesday the industry said 36 mills across the country would become unprofitable if they had to make those modifications. Those mills would be shut, the industry said, taking with them 20,000 direct jobs -- 18% of the industry's workforce.

"This study reinforces the harmful job impacts of the boiler rules and the need to get the rules right," American Forest and Paper Association head Donna Harman said in a statement. "The regulations can and must be developed in a way that protects both jobs and the public health."

With zero jobs, recession risk just got worse
If the proposed smog rule would have gone through, 7.6 million jobs would have been lost by 2020, according to a letter dozens of industry groups sent to Obama last month.

Economy-wide, industry says millions more jobs will be lost if all of the EPA's actions are not stopped.

"When you elevate the costs so much, companies will either downsize or move elsewhere," said Ross Eisenberg, environmental and energy counsel for the U.S. Chamber of Commerce. "At what point do you push them to the point they can no longer operate."

This fear has led to a congressional backlash against the EPA, with House Republicans making it a top priority to rein in the agency.

"By pursuing a steady repeal of job-destroying regulations, we can help lift the cloud of uncertainty hanging over small and large employers alike, empowering them to hire more workers," House Majority Leader Eric Cantor said in a statement last week.

EPA to the rescue: But stopping the EPA won't be easy. The agency has plenty of supporters, including the president, at least for now. And their arguments are just as compelling as industry's.

For starters, they say industry is exaggerating on the jobs front, threatening massive losses when what businesses are really concerned about is smaller profits for themselves and diminished returns for shareholders.

According to a study from the Center for American Progress, regions of the country that were deemed to not meet acceptable levels of smog -- and hence subject to restrictions on development -- grew at a rate of 0.07% from 2004 to 2008. That compares with a rate of 0.87% for the country overall -- a difference the study said was not statistically significant.

Moreover, unemployment in the areas subject to restrictions actually rose by a smaller amount -- 2.21% versus 2.3%.

"The data shows that the fear of drastic economic harm due to a stronger standard is unwarranted," the study said, "despite industries' fevered predictions."

0:00 / 1:39 Why it sucks to be middle class
Supporters also say that while some jobs may be lost as older, dirtier factories shut, other jobs will be created.

"Companies don't just burn this money," said Daniel Weiss, director of climate strategy at the Center for American Progress. "They buy equipment, pay someone to install it, pay someone to run it. That creates jobs."

According to a study from the University of Massachusetts, requiring coal utilities to run cleaner would actually create 1.5 million new jobs each year for five years after the regulation took effect.

Then there's the public health benefits.

By not enforcing the new smog standard, 4,000 Americans will die each year, the Natural Resources Defense Council said in a statement.

If the EPA is prevented from going forward with its other actions, 17,000 Americans will die prematurely, 11,000 people would have heart attacks and 120,000 children would experience asthma attacks every year.

"These aren't theoretical injuries or ideological blows," NRDC President Frances Beinecke wrote in a blog post last week. "These are people's lives turned upside down."

Which argument Washington finds most compelling will become clear over the next few months.

EDITORIAL

Editorial: Obama’s shortsighted decision on ozone standards

Dallas Morning News
08 September 2011 06:45 AM

Savings today aren't really savings if the consequences of inaction cost more tomorrow.

It's the reason responsible people patch a leaky roof so that water doesn't destroy a home or repair a faulty car tire before it blows out on the expressway. And it is the reason President Barack Obama's decision to back away from a tougher air quality standard for ozone is remarkably shortsighted.

Bowing to pressure from industry and GOP lawmakers who said the rule would kill jobs in an ailing economy, the president last week overruled his own Environmental Protection Agency to delay a tougher standard until at least 2013. This is the same president who vowed that science and health, not politics, would drive environmental safety decisions.

The reversal should be particularly distressing to North Texans. The region hasn't met the old regulations and has long been dragging its feet on efforts to comply with newer ones. The president's action is being hailed in some business quarters as a win, yet leaders should be cringing at the long-term impact of further delay.

Until the president abruptly stepped in, EPA Administrator Lisa Jackson had been on track to accelerate the review and lower the air quality standard for ozone, currently 75 parts per billion and set in 2008. On the advice of an EPA scientific advisory committee and findings from decades of ozone studies worldwide, Jackson was prepared to tighten the standard to between 60 and 70 parts per billion.

While Obama pointed out the potential costs of regulation as a business burden, he simply ignored the economic and health benefits from tougher ozone regulation. Environmental and medical groups estimate that stronger ozone standards would save 4,300 lives, avert 2,200 heart attacks and produce at least $37 billion in health benefits each year. The EPA says that various other Clean Air Act standards last year cost about $50 billion but produced about $1.3 trillion in public health and environmental benefits.

The benefits far exceed the costs, and in the long run, tougher regulations resulting in cleaner air also would save taxpayers, employers and state and local governments billions of dollars in health-related costs and avert the loss of economic vibrancy in a community shrouded in bad air. California's smog history is a prime example of how bad air can stall economic growth and lead to daunting cleanup costs.

Businesses require certainty and reliability so they can plan proper investments. Smart economists make the credible argument that well-designed regulation can jump-start innovation and competitiveness, particularly within industries with strict performance standards.

Yes, there is a price tag on environmental regulations, but there also are significant intractable costs to human health and economic activity if we continue to tolerate unacceptable levels of dangerous air. Skies in North Texas are not going to become cleaner unless policymakers remain committed to achieving ambitious clean air goals. The president's action does us no favors.

A costly decision
Ozone, the primary ingredient in smog, is formed when heat and sunlight act on nitrogen oxides and hydrocarbons from tailpipes, smokestacks and other sources. The following groups are especially vulnerable to ozone:

Children and teens.

People 65 and older.

People who work or exercise outdoors.

People with lung diseases, such as asthma and chronic obstructive pulmonary disease (also known as COPD, which includes emphysema and chronic bronchitis).

Healthy people who have strong reactions to ozone.

Source: American Lung Association

Letters: Obama Blocks an Air Pollution Rule

New York Times
Published: September 7, 2011

Re; “Obama Abandons a Stricter Limit on Air Pollution” (front page, Sept. 3):

How terribly shortsighted and reckless of President Obama to reverse a regulation that protects against the scourge of polluted air.

As the author of a book about the late Senator Gaylord Nelson of Wisconsin, the principal founder of Earth Day, I am aware of how tirelessly he and others worked to secure legislation that would protect our air, water and land. The Clean Air Act is a prime example.

To reverse a regulation intended to cut down toxic emissions is to tamper with the health, safety and quality of life of present and future generations.

To quote Senator Nelson, “As we think about the richness of the world in which we live — its forests, its clear blue waters and all of its varied life forms — we must understand how our actions affect all of them.”

SHEILA T. COHEN
Madison, Wis., Sept. 6, 2011

To the Editor:

I am heartbroken and horrified by President Obama’s refusal to update smog standards. Updating the standards is long overdue, and such updates would have a highly beneficial effect on health care costs as well as pushing corporations to invest in the kind of essential technology and infrastructure needed to reduce pollution and create jobs.

Perhaps the most distressing aspect of the president’s action is that he appears to believe, and act on, the lies disseminated by the right, particularly members of the Tea Party, about the prohibitive cost of environmental protection, rather than acknowledging the truth: that the cost of not protecting the environment is overwhelming and irreversible.

What has happened to the passionate, committed man we elected?

EDWINA TRENTHAM
Moodus, Conn., Sept. 5, 2011

To the Editor:

“A Debate Arises on Job Creation vs. Environmental Regulation” (Business Day, Sept. 5) led with the recently withdrawn smog standard and then suggested that regulating now could be problematic in light of the economy’s weakness.

The withdrawn standard, however, would establish a goal for state air pollution programs and therefore produces no immediate costs at all.

Companies will incur costs only many years from now after states translate these goals into specific requirements for polluters. And if history is any guide, those costs will have a vanishingly small effect on employment, and some of that effect may be positive.

Environmental regulations account for less than one-tenth of 1 percent of mass layoffs. An administration seriously concerned about unemployment, rather than appeasing polluters and their allies, would focus its attention elsewhere.

The recession does not justify sacrificing thousands of lives by suspending a crucial health-protective standard being carried out many years hence.

DAVID M. DRIESEN
Syracuse, Sept. 5, 2011

The writer teaches environmental law at Syracuse University.

To the Editor:

Re “Stung by the President on Air Quality, Environmentalists Weigh Their Options” (news article, Sept. 4):

I want to express my support for President Obama’s sound decision. Environmental issues are often played as trump cards when they should instead be weighed against other concerns.

Our air has become very clean over the last few decades (thanks to great work by environmentalists), so air quality issues no longer have the urgency they once had. This is not the time to be imposing expensive solutions to minor problems.

I’m an independent who voted for Barack Obama in 2008.

MICHAEL SHERMAN
Mountain View, Calif., Sept. 4, 2011

To the Editor:

Re “A Bad Call on Ozone” (editorial, Sept. 3):

Those of us in “the reality-based community” can only shake our heads in disgust as President Obama betrays one more of his principles.

Perhaps he can save all of us a lot of grief by simply announcing the principles he will abandon in his quest for re-election.

Better to be disgusted all at once than to have to suffer through this numbing drip, drip, drip of disheartening news as he abandons all that we thought he stood for.

LARRY BARKAN
Tempe, Ariz., Sept. 3, 2011

Robinson: Ozone outlook mostly cloudy

Washington Post
By Eugene Robinson
September 8, 2011
WASHINGTON --

Republicans are trying to sell the false premise that protecting the environment inevitably means sacrificing jobs. President Obama should denounce this snake oil for what it is -- rather than appear to accept it.

The GOP presidential candidates are in remarkable agreement on two articles of faith: The human imagination, apparently, is incapable of conjuring any circumstance under which any tax may ever be raised. And the Environmental Protection Agency is a sinister laboratory where Birkenstock-shod evildoers conjure regulations purposefully designed to rob Americans of their God-given jobs.

Actually, I'm being somewhat unfair to Mitt Romney, who tempers his EPA-bashing with the admission that he supports the agency "in much of its mission." When he was governor of Massachusetts, Romney favored initiatives to reduce greenhouse gas emissions, perhaps even a regional cap-and-trade system. He doesn't bring this up much on the campaign trail, but his opponents do.

The other contenders range from anti-EPA all the way to ... well, to Michele Bachmann's pledge to abolish the agency. Bachmann told an Iowa crowd in August that if she is elected president, "I guarantee you the EPA will have doors locked and lights turned off, and they will only be about conservation. It will be a new day and a new sheriff in Washington."

At the GOP debate in New Hampshire, Bachmann added that "there is no other agency like the EPA. It should really be renamed the Job-Killing Organization of America." Newt Gingrich agrees that the EPA -- established in 1970 by that noted tree-hugger, Richard Nixon -- should be dismantled.

Rick Perry has an actual record as an EPA-brasher, having taken the agency to court in an effort to block rules on greenhouse gas emissions. Obama's "EPA regulations are killing jobs all across America," Perry said.

Perry's book "Fed Up!" cites an estimate by the conservative Heritage Foundation of catastrophic job losses from greenhouse gas rules.

Perry also refers to Al Gore as "a false prophet of a secular carbon cult," whatever on Earth that means.

Ron Paul says most environmental questions should be resolved through the courts. Herman Cain and Jon Huntsman take the orthodox position: that any new environmental regulations should be put on hold because enacting them would kill jobs.

On Friday, Obama appeared to cede the point.

He blocked new EPA rules limiting ground-level ozone -- otherwise known as smog -- as part of a larger effort to reduce "regulatory burdens and regulatory uncertainty" for U.S. businesses.

The move came hours after a disappointing labor report was released, showing that the economy added no new jobs in August.

As EPA Administrator Lisa Jackson noted in a statement, the Obama administration has made great strides in limiting such atmospheric pollutants as sulfur dioxide and mercury.

Not every conceivable environmental regulation makes sense.

But the ozone rule seemed well-grounded, and the objections to it were more political than rational.

We don't have to choose between jobs and health. History demonstrates we can have both.

EUGENE ROBINSON is a Washington Post columnist (eugenerobinson@washpost.com)

Obama's EPA: Confronting Disappointment

Huffington Post
By Al Gore
Posted: 9/7/11 08:29 PM ET

On Friday afternoon, as brave and committed activists continued their non-violent civil disobedience outside the White House in protest of the tar sands pipeline that would lead to a massive increase in global warming pollution, President Obama ordered the EPA to abandon its pursuit of new curbs on emissions that worsens disease-causing smog in US cities. Earlier this year, the EPA's administrator, Lisa Jackson, wrote that the levels of pollution now permitted -- put in place by the Bush-Cheney administration -- are "not legally defensible." Those very same rules have now been embraced by the Obama White House.

Instead of relying on science, President Obama appears to have bowed to pressure from polluters who did not want to bear the cost of implementing new restrictions on their harmful pollution -- even though economists have shown that the US economy would benefit from the job creating investments associated with implementing the new technology. The result of the White House's action will be increased medical bills for seniors with lung disease, more children developing asthma, and the continued degradation of our air quality.

In the pea soup

The Economist
Sep 10th 2011

The administration hands a victory to America's polluters

ASSAILED by the right, Barack Obama socked it to the left on September 2nd, by backtracking on a new rule to mitigate air pollution. As proposed by the Environmental Protection Agency (EPA)—a hate object to many Republicans—the rule would have reduced ambient ozone, a toxic gas created by power-plant emissions and exhaust fumes, to less deadly levels than America currently permits. According to the EPA, this would by 2020 have saved up to 12,000 lives and 2.5m working days and school days lost to the toxic effect of ozone on American lungs each year. It would also have cost polluters and government up to $90 billion per year—a toll that, in hard times, Mr Obama felt unable to levy.

His proxies also argued that, as the current legal ozone limit—75 parts per billion—was up for review in 2013, it anyway made sense to delay reducing it. The aborted change—to 60-70 parts per billion—would merely have brought the safety limit into line with scientific advice given to (and rejected by) George Bush junior in 2008: the delay will allow the EPA to consider more recent data. But greens are unimpressed. They had been persuaded to suspend legal challenges to the Bush-era rule—which appears to contravene the Clean Air Act (CAA) under which it falls—on the understanding that Mr Obama would fix it. They also argue that, as the 2013 review must be held anyway, the net effect of Mr Obama's retreat is more ozone pollution.

Polluters are cock-a-hoop—and so are the Republicans, who have become ever less verdant since the recession began. Many think that the EPA is a left-wing wrecking operation and Mr Obama's hitherto willingness to approve its edicts characteristic of his job-killing attachment to unnecessary regulation. Besides American lungs, this ignores a few things: that the CAA was beefed up under a Republican president (Nixon); that the EPA is bound not to factor economic costs into its rulings on the CAA; and that those rulings so far approved under Mr Obama were mostly demanded by the courts, to clear up the mess made of America's environmental regulation by Mr Bush.

Yet at least Republicans are bound to beat up Mr Obama. The scorn that greens, who are mostly Democrat, increasingly show him is a bigger threat to his re-election hopes. They cite a pattern of presidential retreat on big environmental issues, including a perceived friendliness towards the proposed Keystone XL pipeline, that would ferry Canadian crude-oil almost the length of America. Far worse, following Congress's rejection of a cap-and-trade scheme last year, is Mr Obama's failure to do anything much to combat climate change. By September 30th the EPA is due to propose limits on greenhouse-gas emissions for power stations. Whether green enthusiasm for Mr Obama can be reactivated—as those legal challenges to the permitted ozone limit soon will be—will depend upon his response.

Breathe easy, regulation's no dirty word Mathew Murphy

Sydney Morning Herald
September 9, 2011
By Mathew Murphy

President Barack Obama aligned himself with this argument a week ago when he asked the US Environmental Protection Agency to withdraw its proposal to tighten air quality standards.

ENVIRONMENTALISTS will often tell you that there are "no jobs on a dead planet". Touche. It is a cute line but let's spin it around. How many jobs would be gained or lost in creating a healthier and more sustainable planet?

Now, there is a trickier question to answer because it seems that depends on whether you are thinking long-term or just out until the next election. Business has long argued that increased regulation and the associated costs hurt its ability to hire staff and retain them.

President Barack Obama aligned himself with this argument a week ago when he asked the US Environmental Protection Agency to withdraw its proposal to tighten air quality standards.

Advertisement: Story continues below He said it was part of his administration's efforts to reduce "regulatory burdens and regulatory uncertainty".

It would have been a surprising statement for this president to make had the Bureau of Labor Statistics not made its own statement earlier in the day.

Its August employment report found the US economy had created zero jobs growth. Sure, 17,000 jobs were added in the private sector but governments shed the same number of jobs. Unemployment remained at a worrisome 9.1 per cent.

President Obama understands that his chance of scoring a second date with the American people will almost solely rest on his ability to create employment. This time it is about the jobs, stupid.

He asked the EPA to delay its proposal to improve air quality until 2013, or in other words, just until after the election thank you. The big-picture, big-thinking President has turned his focus decidedly short-term.

But does the argument actually wash that environmental regulation drives up unemployment?

The former Bush administration had already legislated smog rules to be no higher than 75 parts per billion. The EPA's proposal is to bring that down to 60 parts per billion, which it says would save 12,000 premature deaths by 2020.

The compliance cost for polluters would be between $US19 billion ($A17.9 billion) and $US90 billion a year by 2020. A big number but when broken down it basically accounts for less than 2 per cent of a company's budget.

The EPA says the health benefits to the population would be worth between $US13 billion and $US100 billion each year for the economy. The American Lung Association says without the tougher standard as

many as 186 million Americans, or more than half the country's population will continue to breathe in harmful levels of smog.

The association has revived its lawsuit against the US Government. It says policymakers have clear scientific evidence on the harm being caused and they are not taking responsible action.

"For two years the administration dragged its feet by delaying its decision, unnecessarily putting lives at risk. Its final decision not to enact a more protective ozone health standard is jeopardising the health of millions of Americans, which is inexcusable," American Lung Association chief executive Charles Connor said.

In June, the Economic Policy Institute, a non-partisan think tank, released one of the only studies that assessed the jobs impact resulting from changes to the Clean Air Act.

It concluded that the measures "pass any reasonable cost-benefit analysis with flying colours".

"The political debate over regulations tends to ignore the overall benefits and be narrowed down to the jobs impact," the institute said. "Whether regulation in general and the toxics rule in particular costs jobs is an empirical question this paper attempts to answer.

"The jobs-impact of the rule will be modest, but it will be positive."

A modern history lesson shows a similar story played out when the EPA first made amendments to the Clean Air Act to reduce acid rain caused by power plant emissions in the US. The utilities sector said it would cost $US7.5 billion and tens of thousands of jobs. The cost of the program to date has been closer to $US1 billion and the EPA says the measures have created a net gain in jobs, albeit modest.

The cement industry has been one of the strongest critics of the latest round of environmental regulation. It believes that it would have to close between 18 and 100 cement plants if it has to comply with stricter standards for sulfur dioxide and nitrogen oxide emissions. It says as many as 13,000 direct jobs would be lost.

The EPA counters this with its own modelling which shows a maximum of 600 jobs would be lost in the sector but that as many as 1300 jobs could be created through the industry's need for cleaner equipment. It also points out that cement plants may be forced to close due to a drop off in demand of around 40 per cent as a result of the housing crisis.

Josh Feinman, global chief economist at Deutsche Bank Advisors, said there is no across-the-board evidence to suggest that regulation costs jobs.

"I don't think anyone can argue that all regulations do 'x', you have to look at the specifics," he said. "Washington is desperately looking around to see if there is anything that can be done or any impediments it can remove to jumpstart the economy. It does not want to be seen to be heading backwards, particularly on jobs."

White House officials have been reported as saying that President Obama has come to agree with the view that regulations such as the EPA proposal hurt jobs growth.

The US economy will need to create 12.4 million jobs to return to pre-recession levels of employment while absorbing the 125,000 a month who enter the labour force.

To even have a chance of returning to those levels of employment the US will need to rely on something it has always been good at - ingenuity and innovation. That is going to require less shortsightedness and, yes, some regulation to support and grow sustainable industries that can provide jobs for future generations. Regulation does not have to be a dirty word or mean a loss of jobs. After all, if there had been some unpopular but forward-thinking regulation prior to the financial crisis maybe some jobs would have been saved.

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