

Wyoming Environmental Quality Council
122 W. 25th Street
Herschler Building, Room 1714
Cheyenne, Wyoming 82002

August 12, 2009

re: Docket #09-1101 -- Petition for New Ozone Air Quality Standard

Honorable members of the EQC:

I am a citizen of Sublette County. I am submitting the following comments in response to the petition asking the Council to establish a 65 ppb ambient air quality standard for ozone in Sublette County. Please consider these comments in reaching your decision on the petition.

The petition at issue focuses on human health. And the petitioners have presented a preponderance of evidence that the ambient air quality standard should be set no higher than 65 ppb to protect the health of Wyoming residents and people visiting the region. The scientific experts who studied this issue during the deliberations on the national ozone standard recommended a 60-70 ppb limit. After carefully studying the issue, Canada also set nationwide ozone standard of 65 ppb. The current U.S. national standard of 75 ppb was not based on science or health. It was based on politics. Health standards should be based on science, not politics. Substantial evidence now indicates the ozone limit should be lower than 65 ppb to fully protect public health. For this reason, I urge the EQC to adopt a standard of 60 ppb. Although the petitioners have focused on Sublette County -- the only region in the State currently experiencing problematic ozone levels -- I also encourage the EQC to make this a state-wide standard. It is better to establish a defensible state-wide limit now, when there would be few consequences, than to wait until other areas begin exhibiting unhealthy ozone levels and then try to reign in the problematic companies that have begun operating under a lax standard.

Rather than summarize the evidence the petitioners have already presented, the remainder of my comments will focus on a different aspect of the controversy -- the economic benefits of establishing a safe 60-65 ppb ozone standard.

The oil and gas industry will no doubt claim establishing a 60-65 ppb standard for the County would be crippling to energy development and economic growth here. These are the very parties who are to blame for the unhealthy ozone levels in Sublette County over the past few years. Despite their record profits during the same period, they nevertheless have a selfish interest in minimizing their costs wherever they can. Private profits should not take priority over public health. And the EQC should view industry's comments knowing their concern is focused on selfish profits, not human health.

What industry will not tell the EQC is that **establishing a 60-65 ppb standard will yield net economic benefits** rather than costs. Although industry may face some higher costs to install pollution controls to reduce VOC and NOx emissions from oil and gas development, these same controls will produce economic benefits for Sublette County and the State of Wyoming.

Most obviously, there are significant economic benefits associated with protecting public health. There are also obvious economic benefits that will come from avoiding future ozone health alerts,

where citizens are instructed to stay indoors and avoid strenuous activities. The alerts reduce worker productivity when ozone levels are dangerously high (as happened repeatedly in 2008).

Less obvious, the monies industry will spend to install VOC and NOx pollution controls will bring in tax revenues and new employment. Equipment will have to be purchased, and this means new sales tax revenues. People will need to be hired to install and maintain that equipment. This means new sources of employment and income for the region. These will not be low-tech low-paying jobs but high-tech high-paying jobs. Since industry will pay these expenses, it will cost the State and County nothing. It will yield net economic benefits to both the State and County

An even bigger payback to the State and County will come from slowing the pace of oil and gas extraction. Historically, the State has supported rapid development of hydrocarbon resources. The reason is this yields quick tax revenues. Unfortunately, it does not yield the greatest tax revenues. Moreover, rapid field development has led to numerous boom and bust cycles that have been very costly to Wyoming communities. The greatest net tax revenues and the lowest costs to communities both occur when hydrocarbons are extracted over long periods.

Under the present development scenario, the oil and gas resources in Sublette County will largely be tapped out within 30-50 years. The current plan also calls for around 15,000 new jobs in the County over the next 10-15 years, followed by a severe bust (i.e., loss of nearly 15,000 jobs) as drill rigs go away with the resources. By imposing a 60-65 ppb ozone standard, the State will be able to slow the pace of development and thereby achieve greater stability of income and employment.

Looking at tax revenues, oil and gas are nonrenewable resources that are becoming increasingly scarce while global demand is increasing. This means their prices will rise over time. Appreciably. By slowing the pace of energy development as prices increase, the State will see greater overall tax revenues from the same resources. If you do an objective economic analysis based on the forecast price trends of oil and gas, I believe you will find the State of Wyoming will end up faring much better under a 100-year extraction scenario than under the current 30-50 year scenario.

Because a 60-65 ppb ozone standard will better protect public health while also providing the State and local governments with net economic benefits over the long run, I cannot see why the EQC would be opposed to setting this important health standard. Please do the right thing and set Wyoming's state-wide ozone standard to 60-65 ppb. Thank you for considering my comments.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'D.J. Duerr', with a horizontal line extending to the right.

D.J. Duerr
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