

RECORD STATEMENT OF NATIONAL BLACK CHAMBER OF COMMERCE

SUBMITTED TO THE SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
SUBCOMMITTEE ON CLEAN AIR

JULY 13, 2006

The National Black Chamber Of Commerce (NBCC) with offices located at 1350 Connecticut Ave., NW, Suite 405, Washington, D.C. is a non-profit, non-sectarian organization dedicated to economically empowering and sustaining African American communities through entrepreneurship and capitalistic activity within the United States and via interaction with the Black Diaspora. The NBCC has one hundred and ninety (190) affiliated chapters locally based Throughout the nation as well as international affiliate chapters based in the Bahamas, Brazil, Colombia, Ghana and Jamaica and Businesses as well as individuals who may have chose to be direct members with the national office.

The 1 million African American businesses in the U.S. Represent sales of more than \$100 billion annually and maintain an annual spending base of over \$800 billion. The NBCC has harnessed much of the power of these dollars and provides unique opportunities for corporations and African American businesses to partner in creating greater opportunity for all people.

The NBCC represents 95,000 Black owned businesses and provides education/advocacy that reaches all 1 million black-owned businesses across the nation. Moreover, the NBCC is on the leading edge of educating and training Black communities on the need to participate vigorously in this great capitalistic society known as America.

The NBCC appreciates the opportunity to offer its views on the Environmental Protection Agency's (EPA) proposed rule to establish a more stringent National Ambient Air Quality Standard (NAAQS) for Particulate Matter (DOCKET NO. EPA-HQ-OAR-2001-0017).

The National Black Chamber Of Commerce has historically supported the efforts of the EPA to protect the public health of all Americans. The Clean Air Act and its regulatory structure, while controversial over the years, has been the principal driving force behind the improvements in our nation's air quality and the reduction of harmful air pollutants. The NBCC also understands that despite this progress much work remains to be done to achieve our nation's air quality goals.

In that spirit, The NBCC continues to support EPA'S efforts to control sources of pollution and the promulgation of regulations that are both cost effective and based on sound science. As a regulated community, we can not tolerate regulation for the sake of regulation and the attendant economic costs of such policies. The regulate and punish mentality must be abandoned so that we may address our environmental challenges while sustaining a strong economy.

In that regard, the NBCC is concerned that the current EPA proposed rule to further establish a new NAAQS for urban particulate matter and to establish a more stringent PM 2.5 standard is not supported by current science and if adopted, could have an enormous adverse impact on small businesses and in particular, black owned businesses represented by the NBCC that are engaged in a broad cross section of economic activity in the manufacturing, industrial and service sectors of the economy.

Small and medium business alike are today facing a number of challenges not the least of which are higher interest rates that are putting pressure on inventory.

Financing and higher energy and related operating costs that are eroding margins and placing pressure on maintaining current employment levels. The imposition of new regulations on industry, manufacturing and other sectors, in the absence of scientific evidence of a demonstrable health benefit is simply not justified. These new standards would likely result in further increased energy prices especially that of natural gas, a key energy input in urban areas.

Beyond this, given the lack of scientific justification, the NBCC is concerned about the impact of the proposed rule as a result of the expanded number of non- attainment designations under

the Clean Air Act.

It is well documented that a “non-attainment” designation under the Clean Air Act can carry with it serious economic and social repercussions for the geographic area so designated which produce immediate and direct impacts on major sources in and near the non-attainment areas with attendant indirect impacts on small and medium businesses and consumers as well, especially those on low and fixed incomes in terms of jobs and energy costs.

Restrictive permitting requirements for companies that add new units or make major modifications to their facility are competitively disadvantage as such requirements would not apply to similar facilities operating in attainment areas. Again, these restrictions would significantly impact urban areas. Also, non-attainment areas face the risk losing Federal Highway Funding that is vitally important to urban redevelopment.

In addition, companies that build a new facility or that perform a major modification to certain existing facilities in or near a non-attainment area would be required to install the most effective emission reduction technology without consideration of cost. Moreover, new emissions in the area must be offset. thus, if there is no party willing to provide the offset, then the project resulting in increased emissions of the given pollutant cannot go forward.

Take the Mercedes plant in Alabama, for instance. Our Birmingham chapter was so excited that the original plan was to put the plant inside the Birmingham city limits. Gas stations, restaurants, hotels, etc. would have benefited significantly. Due to attainment levels, the plant was moved 90 miles to the south in rural Alabama. It devastated the expectations and growth opportunities for the largest city in Alabama.

The same scenario happened in Indiana with the Isuzu plant that was destined for Indianapolis, but ended up 70 miles north in Lafayette. We have about 250 members in the Indianapolis chapter and two in Lafayette. The impact was obvious. As illustrated by these examples, the loss of industry and economic development in and around an area could be significant because a company interested in building a facility that emits the given pollutant will probably not build that facility in a non-attainment area due to the increased costs associated with restrictive and expensive permit requirements.

This again would result in jobs moving away from urban areas -- with existing infrastructure and excellent redevelopment opportunities -- into rural "Greenfield" sites that require new infrastructure be built from the ground up. This harms Brownfields and other urban redevelopment programs.

In conclusion, the NBCC is concerned that the increased costs of goods and services such as energy, and the potential for decreasing disposable incomes and loss of jobs and economic activity as a result of this proposed regulation will adversely impact black-owned and other small and medium businesses and inadvertently harm the socio-economic status of individuals and, thereby, is not in the public interest in the absence of sound scientific justification and demonstrable health benefits.

Accordingly, for the reasons stated herein, the national black chamber of commerce believes the EPA should decline to promulgate its proposed "urban only" standard for coarse particulate matter, and should retain the current standards for fine particulate matter.