

Poor air quality continues to harm region

By JOE KONCELIK

Good ideas for restarting Northeast Ohio's economy are abundant, including development of high-tech, biotech and the advanced energy sectors. But while these ideas have merit, we must remember that the area's economy continues to be driven by manufacturing.

Right now, the manufacturing sector is getting unfairly squeezed by the prospect of higher compliance costs associated with improving air quality in the region. Unless state and local officials address this critical issue, Cleveland will continue to lose jobs and revenue needed to stabilize and grow its economy.

Federal mandates that seek to reduce ozone and fine particle pollution could dramatically impact the economy — a

Mr. Koncelik is the former director of the Ohio Environmental Protection Agency and now is an environmental attorney at Frantz Ward LLP.

recent study suggested that Cleveland's economy could take a \$1.4 billion reduction in Gross Regional Product. The study also indicated we could lose 12,500 jobs in coming years.

How do federal air quality mandates affect the local economy so dramatically? The answer lies in the restrictions and requirements that fall on areas that do not currently meet federal air quality standards. Areas out of compliance with these standards face impediments to economic development when they are classified by the U.S. Environmental Protection Agency as "nonattainment areas."

Businesses in nonattainment areas incur

increased costs to comply with new air pollution reduction programs. For businesses with small margins, compliance costs can make the difference between closing their doors permanently or relocating to another area with less onerous requirements.

It is also more difficult to attract new economic growth in nonattainment areas. A business pursuing construction or expansion of a factory that would generate even a moderate amount of air pollution must first convince existing businesses to reduce pollution.

Due to these restrictions, some expanding businesses will avoid nonattainment areas and the associated regulatory burdens. For example, when Honda was planning to build a new manufacturing plant last year, Ohio and Indiana were

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considered. Honda asked that Ohio officials not propose any site located in a nonattainment county, leaving Northeast Ohio out of the running.

Two recent developments make it even more imperative that local officials and business representatives understand these issues and take action. First, the state of Ohio recently lost its lawsuit challenging the restrictions associated with the ozone standard. Second, the number of nonattainment counties in Ohio is about to dramatically decrease.

A few years ago, 33 Ohio counties — including every major metropolitan area — didn't meet the ozone standard. Soon, that number will go down to 13 counties. This is great news for the rest of the state, but further isolates the Cleveland area.

So how can Northeast Ohio address these issues? The region must take a smart and aggressive approach to reducing air pollution.

The common misperception is that air quality issues are mostly attributable to smokestack industries. Actually, the largest factor pushing the area into nonattainment is vehicles. Despite the facts, it is the

manufacturing sector that disproportionately faces the impacts of increased regulation.

More reductions obtained from the transportation sector will result in lower costs to businesses. This can translate into more investment in factories and employees. It also means Cleveland-area businesses can remain cost competitive with manufacturers in areas not impacted by a nonattainment classification.

Businesses and local officials have to aggressively pursue reductions from cars, trucks, trains and buses. Continuation of the unpopular E-check program and adoption of a clean fuel are necessary, but these programs are not nearly enough.

A primary target must be diesel emissions because they are sources of both ozone and fine particle pollution. Also, ideas such as electrification of on- and off-road transportation must be investigated.

Recently, the Greater Cleveland Partnership, on behalf of the region's business community, joined the Midwest Diesel Initiative to find reductions in diesel emissions throughout the Midwest. While this is an initial step, we need immediate

action to reduce vehicle emissions.

Skeptics argue a few engines will not make a measurable difference. However, U.S. EPA estimates that there are 90,000 diesel engines in the Cleveland area alone. Pursuing reductions from diesel engines on a large magnitude will certainly make a positive impact on air quality, and in turn, on the economy.

Without aggressive action, Cleveland's manufacturers will continue to face a competitive disadvantage, which hurts the overall economy. ■

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