



Wisconsin Manufacturers & Commerce

Wisconsin Manufacturers'
Association • 1911
Wisconsin Council
of Safety • 1923
Wisconsin State Chamber
of Commerce • 1929

James S. Haney
President

James A. Buchen
Vice President
Government Relations

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Vice President
Education and Programs

Michael R. Shoys
Vice President
WMC Service Corp.

November 21, 2007

The Honorable James E. Doyle
Governor, State of Wisconsin
P.O. Box 7863
Madison, WI 53707

Dear Governor Doyle:

Wisconsin Manufacturers and Commerce and the undersigned members of the business community strongly advocate for preservation of the U.S. EPA's existing National Ambient Air Quality Standard (NAAQS) for ozone. We hope you will join us in urging the EPA to allow us to continue to improve local air quality in a manner that will not undermine the state's economic well being.

As you know, the EPA is proposing to tighten the ozone standard, even before the existing standard is fully implemented, despite questionable environmental benefits. If enacted, the new standard will add significant disincentives to expand Wisconsin's economy, and will likely result in manufacturing job losses. Despite our best efforts to adopt policies positioning Wisconsin as the most competitive state in which to do business, we have lost more than 90,000 manufacturing jobs since 2000 - a decline of about 17% in seven years.

The steps we have taken to reverse this trend, including the historic regulatory reform you signed into law as 2003 Act 118, would be undone because the proposed ozone standard could more than *triple* the number of Wisconsin counties classified as non-attainment. Taking these counties "off the map" for economic expansion because of the non-attainment stigma and costly regulatory burden accompanying non-attainment would be an unfortunate step backward.

The proposed ozone standard is particularly troublesome given Wisconsin's historic progress toward improved air quality. According to EPA's own studies, air quality in the United States continues to improve under the current rule, with emissions from the six criteria pollutants under the Clean Air Act (CAA) having dropped by more

than 54% during the last generation. Wisconsin's own progress has been much more significant. According to the DNR's own data, the ozone precursor emission nitrogen oxide (NO_x) has been reduced by more than 50% in Wisconsin's non-attainment counties *in the last five years alone*.

The historic NO_x reductions, and a steady decline in volatile organic compound (VOC) emissions for the past two decades, resulted in eight Wisconsin counties meeting the existing ozone standard last year. The eight counties, including the entire six-county metropolitan Milwaukee area, have a redesignation petition pending before the EPA. We appreciate your important role in making this happen, and hope you would agree it would be a shame if the regulatory relief earned through decades of emission reductions were wiped away by a federal rule with dubious environmental benefit.

Despite our substantial progress, it is important to understand that significant additional reductions will occur in the near future with implementation of the Clean Air Interstate Rule (CAIR), which will permanently cap and reduce ozone emissions from power plants by 60% beginning in 2009. Moreover, federal rules will also cut emissions from cars and trucks by more than 70 percent by 2030. Importantly, we will realize the full benefit of these reductions without the need to lower the ozone standard. We can therefore meet our air quality goals and make additional progress without crippling our manufacturing base with an unwarranted and overly-stringent ozone standard.

Improved air quality comes at a significant economic cost. According to Wisconsin Public Service Commission (PSC) Chairman Dan Ebert, implementation of the CAIR rule is expected to cost \$3.2 billion, and the mercury rule will add \$400 to \$750 million more. These costs, which we believe may be conservative, are in addition to approximately \$6 billion in new generation, transmission and energy efficiency measures approved by the PSC in the last four years. Tighter ozone rules will result in higher energy costs and even more job losses, which Wisconsin cannot afford.

We are committed to implementing the current ozone standard, and assuring that we reach or remain in attainment of the current standard statewide. We hope you recognize the grave consequences associated

with a tighter ozone standard, and will support us on this very important issue by contacting Administrator Johnson as soon as possible to relay your concerns.

Sincerely,



James S. Haney

President

WISCONSIN MANUFACTURERS & COMMERCE,

on behalf of its members, including the following who asked to be listed:

Rick L. Gerroll
Senior Vice-President
AGGRECON LTD.

Gregory Linder
Area Site Manager
*AIR PRODUCTS PERFORMANCE
MANUFACTURING, INC.*

David A. Olsen
VP of Operations
BAKER MANUFACTURING CO.

Paul Timmons
Plant Manager
*GOODYEAR ENGINEERED PRODUCTS,
VEYANCE TECHNOLOGIES, INC.*

Will Kress
President and CEO
GREEN BAY PACKAGING, INC.

Todd Tiefenthaler
President/CEO
KRAMER PRINTING

Mark F. Furlong
President and Chief Executive Officer
MARSHALL & ILSLEY CORPORATION

Donald Bergman
Chief Executive Officer
MARSHFIELD DOOR SYSTEMS, INC.

T. J. Morice
Vice President, Marketing & Operations
MARTH WOOD SHAVING SUPPLY INC.

Robert J. Smickley
CEO
METALTEK INTERNATIONAL, INC.

Richard J. Wieland
President
MID-CITY FOUNDRY COMPANY

Gary A. Fahl
Vice President ES&S
MODINE MANUFACTURING CO.

Steve Lewallen, Director, Corporate Env.
Compliance
NEENAH FOUNDRY COMPANY

Larry Molinari
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PERLICK CORPORATION

Robert Agnew
President and CEO
PETERSON INDUSTRIES LLC

Brian Pitlik
Vice-President
PITLIK & WICK, INC.

Charles E. Bunch
Chairman and CEO
PPG INDUSTRIES, INC.

Paul B. Nowak, CFO
Secretary/Treasurer
RBP CHEMICAL TECHNOLOGY, INC.

James M. Ruffolo, President
*SHIPBUILDERS OF WISCONSIN, INC., dba
Burger Boat Company, and Skywave, Inc.*

Donald Payne
President
SPUNCAST, INC.

Bruce E. Corner
Senior Vice President
SSI TECHNOLOGIES, INC.

Tim Laatsch
Senior Vice President
STORA ENSO NORTH AMERICA

Thomas G. Belot
President and CEO
THE VOLLRATH COMPANY L.L.C.

Mark Duwe
President
WALDAN PAPER SERVICES

Jac B. Garner
President and CEO
WEBCRAFTERS, INC.

Rick Vandermause
President
WESTERN LIME CORPORATION,

Pat Goss
Executive Director
WI TRANSPORTATION BUILDERS ASSN.

cc: EPA Administrator Johnson
Sen. Herbert Kohl
Rep. Paul Ryan
Rep. Ron Kind
Rep. Thomas Petri
Rep. Steve Kagen

Rep. Gwen Moore
Sen. Russ Feingold
Rep. Tammy Baldwin
Rep. James Sensenbrenner
Rep. Dave Obey