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Submitted via www.regulations.gov

Docket No. EPA-HQ-OAR-2015-0072

March 28, 2023

ATTENTION: Dr. Lars Perlmutter
Health and Environmental Impact Division
Office of Air Quality Planning and Standards
U.S. Environmental Protection Agency (EPA)
Mail Code C539-04
Research Triangle Park, NC 27711

Dear Dr. Perlmutter:

Please see the below comments from the Hardwood Federation related to EPA's Reconsideration of the National Ambient Air Quality Standards (NAAQS) for Particulate Matter (PM), focusing on the Proposal for Fine Particulate Matter (PM 2.5), as published in the Federal Register (FR) on January 27, 2023 (See 88 FR 5558). In addition to the comments below, we endorse and incorporate by reference the comments provided by the American and Forest and Paper Association (AF&PA) and the American Wood Council through their role in the NAAQS Regulatory Review & Rulemaking Coalition regarding the Proposed Rule, and do not repeat them here. By way of background, the Hardwood Federation is the unified voice on federal legislative and regulatory policy in Washington, DC representing 30 local, regional, and national trade associations that serve hardwood businesses and their employees located in every state in the nation.

The U.S. hardwood sector is a fully integrated industry from logging to the manufacture of finished consumer goods which touch every aspect of American life including flooring, cabinets, furniture and moldings in our homes. Packaging, tissue and paper supplies are made of residual chips and dust from hardwood mills. Industrial mats, shipping pallets and railway ties made from low grade hardwood lumber are crucial to America's vast transportation infrastructure.

American hardwoods are the ultimate renewable resource. An abundant, renewable, and usable material, every piece of a tree from bark to solid wood core to the sawdust from harvesting and mills can be used in myriad ways from building materials to paper to animal bedding to energy production. Hardwoods are officially recognized by the U.S. Department of Agriculture (USDA) a Green and Renewable product that is sustainably managed and is an environmentally preferred natural resource. Hardwood biomass created in the forest products

production process is used to generate heat and electricity and often is used to power the very mills and operations creating the biomass. That said, as makers of sustainable hardwood products, the hardwood sector advocates for balanced and flexible air quality standards that account for environmentally friendly energy systems, especially those based on biomass fuel.

Clean Air Act Requirements – Background

The Clean Air Act (CAA) requires EPA to set NAAQS for certain key pollutants, defined under the statute as “criteria pollutants.” There are currently NAAQS for the following pollutants: lead, ozone, nitrogen dioxide (NO₂), sulfur dioxide (SO₂), carbon monoxide (CO), coarse particulate matter (PM) and fine particulate matter (PM 2.5).¹ The states’ implementation of the NAAQS triggers a host of regulatory reviews to be undertaken by the regulated community, even in areas that are in attainment, or compliance, with EPA’s standards.

Even in attainment areas, EPA often imposes preconditions on a facility - referred to in EPA parlance as a “new major source” – before it can expand, requiring that it demonstrate that it will not cause or contribute to a NAAQS violation.² This demonstration may require the facility to undertake a complex and time consuming pre-permitting process that includes modeling analysis, dealing with the uncertainty related to PM 2.5 emission rates, and most importantly, accurately accounting for naturally occurring concentrations of PM 2.5 that exist in the atmosphere without industrial activity. This naturally occurring PM is known as a “background concentration.” By proposing to lower the PM 2.5 standard, EPA is approaching a situation where it may regulate PM 2.5 to levels that are increasingly closer to those that occur in nature, regardless of industrial activity.

Stricter PM 2.5 Standards Will Hinder Expansion of Wood Products Manufacturing Facilities

According to a study by the American Forest and Paper Association (AF&PA) and the American Wood Council (AWC), many forest products facilities are located in areas where background PM 2.5 concentrations approach the current regulatory limit of 12 micrograms per cubic meter (ug m³).³ Because of the narrow gap between naturally occurring levels of PM 2.5 and the limits proposed by EPA, AF&PA and AWC evaluated the potential impacts of a lower PM 2.5 NAAQS on the forest products industry. Although the study acknowledges that some forest products facilities are in areas that could be designated as “non-attainment” under a stricter standard, the study focuses on those facilities located in areas that would continue to be designated as in attainment, but would nevertheless fall on the cusp of nonattainment because of a tighter standard. This scenario shows that the difference between background levels of PM 2.5 and the levels imposed by a stricter NAAQS would become narrower and make air quality modeling analysis even more difficult. This narrowed gap, described by AF&PA as a “lack of headroom,”

¹ American Forest and Paper Association (AF&PA) and American Wood Council, “Impacts of a Lower Annual PM 2.5 Ambient Air Quality Standard on Forest Products Industry,” February 2023, Page 1.

² AF&PA, et al, Feb. 2023, Page 1.

³ AF&PA, et al, Feb. 2023, Page 2.

would “increase the burden on facilities that would like to expand operations” largely because they would have to undertake processes to assure regulators that the operational changes would not alter the attainment status of their area of operation.⁴ To illustrate these new burdens, AF&PA and AWC evaluated how lowering the PM 2.5 NAAQS to those levels proposed by EPA would impact wood products facilities.

The study shows that 58 out of 223 wood products manufacturing facilities already have limited “headroom” or flexibility under the current PM 2.5 standard of 12 ug/m³.⁵ Under EPA’s less burdensome scenario included in the proposal, tightening the standard to 10 ug/m³ would more than triple the number of facilities with less flexibility to 199. In plain terms, a PM 2.5 standard set at 10 particles per cubic meter (down from 12) would mean that 199 sawmills would be subject to complex modeling hurdles before receiving the greenlight to move forward with an operational expansion. Unfortunately, EPA’s proposal doesn’t stop there. Federal regulators are also proposing to drop the standard to an even more stringent 9 ug m³. Under this scenario, according to AF&PA and AWC, 217 manufacturing facilities would fall in the “lack of headroom” category, hindering a sawmill’s ability to expand operations.⁶

The AF&PA study also analyzes the potential compliance costs on wood products manufacturing facilities. Under the 10 ug m³ proposal, “the total cost to the wood products manufacturing industry would be between \$500 and 750 million in capital.”⁷ Dropping the standard to 9 ug m³ could cost the sector between \$800 and 900 million.⁸ Some of the compliance measures could include moving the “source” to a location with more “headroom” flexibility and paving roads to prevent the release of ambient dust.⁹

Hardwoods Join Broader U.S. Manufacturing Sector to Oppose Stricter PM 2.5 Standards

The hardwood sector joins manufacturers across America in opposing the EPA’s proposal to impose stricter PM 2.5 standards on U.S. businesses. Because business leaders are already concerned about the threat of a recession, imposing new burdensome regulations will only further weaken an already slowing economy.

U.S. hardwood manufacturers, like the broader industrial sector, have cleaner and more sustainable operations than ever thanks in large part to a revolution in how we produce, use and recycle residuals, including biomass. Across the board, levels of major pollutants have declined dramatically. According to EPA, the U.S. has reduced six common NAAQS pollutants (including PM2.5) by 78% between 1970 and 2020. Furthermore, EPA affirms that PM2.5 levels have dropped 44% since 2000.

⁴ AF&PA, et al, Feb. 2023, Page 1.

⁵ AF&PA, et al, Feb. 2023, Page 2.

⁶ AF&PA, et al, Feb. 2023, Page 2.

⁷ AF&PA, et al, Feb. 2023, Page 4.

⁸ AF&PA, et al, Feb. 2023, Page 4.

⁹ AF&PA, et al, Feb. 2023, Page 3.

The U.S. already has some of the strongest environmental performance standards in the world, yet there are still areas of the U.S. that are in nonattainment with the current PM2.5 standards. As discussed above, issuing stricter standards will leave behind areas currently in nonattainment and will significantly make permitting harder for manufacturers located in those areas. When the U.S. doesn't manufacture, capital investment shifts to other countries that don't have the same environmental stewardship standards as the U.S., resulting in leakage, or the unintended displacement of air pollution from one locale to another.

Conclusion

The Hardwood Federation is pleased to submit comments addressing concerns raised by EPA's Proposed Revisions to NAAQS for PM 2.5. and urges EPA to avoid promulgating standards that burden the ability of hardwood makers and other manufacturers to innovate. Clean technologies, including biomass-based energy systems, reduce emissions and protect the environment, while protecting high quality jobs and growing the economy. Thank you for your consideration. For more information, feel free to contact me at Dana.Cole@hardwoodfederation.com, or Bryan Brendle at Bryan.Brendle@hardwoodfederation.com.

Regards,

Dana Lee Cole, Executive Director

Hardwood Federation