June 21, 2022

Ms. Elizabeth Selbst
Air Quality Policy Division
Office of Air Quality Planning and Standards (C539-01)
U.S. Environmental Protection Agency
109 TW Alexander Drive
Research Triangle Park, NC 27711

RE: Federal Implementation Plan Addressing Regional Ozone Transport for the 2015 Ozone National Ambient Air Quality Standard (87 *Federal Register* 20036, April 6, 2022; Docket ID No. EPA-HQ-OAR-2021-0668)

Dear Ms. Selbst:

On behalf of the Associated General Contractors of America (AGC), I respectfully submit the following comments in response to the notice of proposed rulemaking to impose Federal Implementation Plan requirements on twenty-six states as part of the U.S. Environmental Protection Agency's (EPA) "good neighbor" plan related to the 2015 ozone National Ambient Air Quality Standard (NAAQS). As part of this action, EPA is proposing nitrogen oxides emissions budgets on fossil fuel-fired power plants in 25 states and emissions limits on certain industrial sources in 23 states.[1] EPA is proposing this action in order to reduce cross-state air pollution that may adversely impact the attainment/compliance status in adjoining states.

AGC is the leading association for the construction industry. AGC represents more than 27,000 firms, including over 6,500 of America's leading general contractors, and over 9,000 specialty-contracting firms. More than 10,500 service providers and suppliers are also associated with AGC, all through a nationwide network of chapters. AGC contractors are engaged in the construction of the nation's public and private infrastructure. The construction industry has played a powerful role in sustaining economic growth in the United States, in addition to producing structures that enhance productivity and quality of life.

Although the proposal would not directly apply to AGC member firms' operations, it would impact the availability and cost of the energy and materials necessary to meet the Biden Administration's infrastructure investment goals. Data indicates that the proposal would prompt the early retirement

[1] Impacted industries would include: reciprocating internal combustion engines in pipeline transportation of natural gas; kilns in cement and cement product manufacturing; boilers and furnaces in iron and steel mills and ferroalloy manufacturing; furnaces in glass and glass product manufacturing; and high-emitting equipment and large boilers in basic chemical manufacturing, petroleum and coal products manufacturing, and pulp, paper, and paperboard mills. *See* 87 *Federal Register* 20036.

of some energy generation units.[2] This could lead to shortages in electrical energy availability, which would impact construction jobsites as well as the production of materials and products used in construction. Several key materials used in the built environment also would be impacted directly by this proposal. The markets for these materials tend to be local, whenever feasible, due to the cost of shipping these materials long-distances. If plants have to curtail production or close, then it will impact the availability of local materials, constrain the supply chain, and result in increased emissions (including greenhouse gases) and costs from shipping. A member has shared that when a local factory shuts down, it can set a project back by several weeks or longer as the project team tries to find a new supplier or substitute. If the delay is particularly long, then workers may move on to other projects leaving the contractor with staffing shortages when they are able to start work again. Lack of state-side resources also may increase reliance on overseas materials to fill the gap.

The construction industry is currently experiencing supply chain and fuel crises—the impacts of which are delaying and increasing the cost of public and private projects (when it is even possible for the general contractor to recuperate those costs). The current proposal will only exacerbate these challenges by further stressing the availability of energy and materials.

AGC members have been providing the association with examples of supply chain issues they are currently experiencing, see below. Many of these increases are attributed to shortages in raw materials as well as rising energy, fuel, and shipping costs. For example—

- Lead times of six months to more than a year for cast iron epoxy coated, bronze and brass fittings for water mains;
- Lead times of over a year for aluminum used in metal fabrication for roadway bridges, pedestrian bridges, and railroad bridges;
- Price increases for aluminum and steel conduit piping;
- Price increases in epoxies and resins;
- Price increases for glass as well as steel doors and frames;
- Price increases for metal and aluminum accessories;
- Lead time and price volatility for ductile iron pipes; and
- Volatility in the scrap market.

Due to the state of the supply chain, AGC respectfully requests EPA engage in a dialogue with the impacted industries to better understand the negative ramifications of the proposal and potential solutions, including a more workable compliance timeframe.

Sincerely,

Melinda Tomaino

Melinda L. Tomaino
Director, Environmental Services

[2] Z. Hale and A. Duquiatan, "US EPA's plan for interstate smog might force even more early coal retirements" (April 18, 2022). Available online: https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/us-epa-s-plan-for-interstate-smog-might-force-even-more-early-coal-retirements-69700069.