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Air-quality issues could cloud Upstate economic development

By Nan Lundeen
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Uncertainty about the Upstate's forecasted failure to meet federal Clean Air Act standards in 2010 creates a negative climate for industry already operating in the area and companies looking to locate here, according to experts.

"When it comes to location decisions, uncertainty is a bad thing," said Mark M. Sweeney, a principal in Greenville-based McCallum Sweeney Consulting, a site selection consulting firm.

The firm has been instrumental in siting industries in the Upstate, including the recent decision of American Titanium Works LLC to build a \$422 million mill in Laurens County, which would create more than 300 jobs.

The state Department of Health and Environmental Control has forecast the Upstate won't meet tightened air quality standards, but geographic attainment areas haven't been defined, and the federal Environmental Protection Agency says allowing areas to work toward compliance while deferring regulations that require emissions permitting is a 'maybe.'

"Although the situation isn't black and white, the reaction of many, many prospects will be black and white and that is — 'we just can't take the chance, and let's see if we can find another attractive area that doesn't have this risk,'" Sweeney said.

Kara Borie, spokeswoman for the state Department of Commerce, said nonattainment "could have a significant impact on the types of industries that we could recruit to that area."

Kevin Landmesser, vice president of the Greenville Area Development Corp., said that if Laurens County had been on the verge of noncompliance, "it certainly could have" impacted the ability to attract AmericanTitanium.

Landmesser also said that nonattainment can mean existing industries must add new technologies to control emissions.

"It can be a new cost burden for them," Landmesser said.

An Obama administration that has promised to fight for clean air could be viewed with "gloom and doom," or as "promise and opportunity," U.S. Rep. Bob Inglis, R-Greenville, said.

"We have an immediate problem with air quality, and we have within South Carolina part of some of the solutions that will come for setting those problems straight," Inglis said.

He sees exciting opportunities.

"That drive for cleaner energy is creating jobs in Greenville at the moment," he said, citing General Electric's work building wind turbines and other Upstate firms that are embarking on alternative energy manufacturing initiatives.

He supports EPA allowing early action compacts — efforts used successfully to meet former Clean Air standards — that delayed stringent permitting regulations while the Upstate worked toward compliance.

EPA hopes to address whether compacts can be used again when the agency proposes an implementation rule for its revised 8-hour ozone standard next spring, according to Catherine C. Milbourn, EPA senior press officer.

From a competitive standpoint, prospects interested in the Interstate 85 corridor see that several areas already don't comply with standards, such as the Atlanta metro area, Charlotte and Mecklenberg County, Sweeney said.

Nonattainment "represents a lot of uncertainty, a lot of risk and a lot of cost in the short and the long term," Sweeney said.

Firms may decide to locate a bit more off the beaten track, according to Sweeney.

"If you are in a rural county, and you can meet other needs, this may drive some prospects into less developed areas," Sweeney said.

York County Manager Jim Baker said via e-mail, "Frankly, our nonattainment status hasn't really hurt York County materially up to now, but it does take careful planning to avoid problems."
