

VIEWPOINT

The Charlotte Business Journal welcomes letters to the editor

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EPA REGULATION

Tighter ozone controls will have staggering effects



Brad Muller

A federal regulatory proposal capable of undermining North Carolina's bright economic outlook may be just months away.

In December, the Environmental Protection Agency will decide whether to pursue tighter standards for ground-level ozone. If EPA moves forward, the resulting regulation could be the most expensive in U.S. history.

A study from the National Association of Manufacturers and NERA Economic Consulting shows how severe the impacts would be. The proposed standard could reduce gross domestic product by \$3.4 trillion by 2040 and put 3 million American jobs per year at risk for 25 years. North Carolina stands to lose a staggering 127,000 jobs each year and shed \$150 billion in gross state product from 2017 to 2040. N.C. companies could face compliance costs near \$100 billion.

A tighter standard would throw most of the state into EPA's "nonattainment" designation. This means businesses couldn't expand operations or invest in new opportunities without others reducing emissions elsewhere. It can amount to a moratorium on economic growth.

The EPA has identified only one-third of the ways businesses can achieve emission reductions – each one incredibly costly. The other two-thirds are "unknown controls" – the agency's euphemistic way of admitting it has no clue how its targets can be achieved.

In practice, these "unknown controls" will lead to scrapped factories, shuttered power plants and cars removed from the road – just for starters.

In North Carolina, we know how to fuel a strong economy – we do it every day. Gov. McCrory and the General Assembly should tell the EPA to avoid this economic calamity, allow existing standards to be implemented and let North Carolinians continue to drive our economy into the future.

Brad Muller is vice president of marketing at Charlotte Pipe and Foundry.

PROPOSED FREE-TRADE AGREEMENT

The promise of closer European ties

A lot of people interested in global trade are talking about TTIP and its funny pronunciation, tee-tip. But what in the world is it?

There is a widespread concern among opponents that the Transatlantic Trade and Investment Partnership will mean a marriage of the entrepreneurial, open and fast-moving U.S. economy with the slow-moving and slow-growing European economy. They see a Europe famous for its bureaucracy, exaggerated privacy considerations and a lack of equivalents to the Googles, Facebooks, Apples and Ubers of this country. Yet this undertaking seems to have the support of the American president and European leaders, including German Chancellor Angela Merkel.

Before sounding an alarm, let's face the facts of a changing and growing world. We know the United States has a population of almost 320 million; the EU is a conglomerate of about 500 million. India has a population of 1.24 billion, and greater China (China, Hong Kong and Taiwan) has about 1.4 billion.

It's safe to assume three fast-growing countries – Brazil, Nigeria and Indonesia – will surpass the U.S. in population within 20 to 25 years.

To better prepare ourselves for these growing economies, it's certainly worthwhile to consider a union of the two largest economic blocks in the world through a trade agreement that would affect 820 million people.

The United States and the EU are already deeply intertwined, with \$2.6 billion in goods and services flowing between them every day. There's nearly \$4 trillion invested across the Atlantic, the world's largest



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investment relationship. More than 13 million people owe their jobs to the transatlantic relationship.

So the creation of a common agreement through TTIP is not such a far-fetched idea, and it offers the promise of a "transatlantic renaissance," as Germany's Foreign Minister Frank-Walter Steinmeier has suggested.

Here are some beneficial effects of the proposed agreement:

- ▶ GDP is estimated to increase between \$68 billion and \$120 billion for the EU and \$50 billion to \$100 billion for the U.S.

- ▶ The car industry on both sides of the Atlantic would agree on common quality standards. By doing so, an estimated \$15 billion could be saved on a yearly basis. Some automobiles carry up to 25% in import duties between the U.S. and the EU.

- ▶ The transatlantic chemical industries could find common ground. Why go through costly and time-consuming processes to approve a medicine in Germany if the FDA has already done so, and vice versa?

Are there points of contention,

worries or even fear? Sure, if such a big undertaking is in the making. For example:

- ▶ Germans are afraid of genetically manipulated farm products and, for sure, of the famous "chlorine chicken" (in the U.S., poultry producers are allowed to disinfect chicken in a bleach solution). This is approved by the EFSA, the European equivalent to the FDA, but Germans detest the practice.

- ▶ Europe does not allow the cloning of animals, although the U.S. does.

- ▶ Europeans are more reluctant to use hormones to increase meat and milk production, while Americans are concerned about French cheese made from raw milk.

- ▶ The French are afraid that an unbridled Hollywood will "eat the lunch" of their film industry.

Despite these reservations, the advantages far outweigh the negative effects. As Germany's former ambassador to the U.S., Peter Ammon, put it in a recent speech at the Brookings Institute: "TTIP is a huge opportunity to shape the rules of the next phase of globalization together" and "neither side will lower its standards when it comes to the protection and safety of its citizens. The goal is to agree on high-level standards."

TTIP will serve as a landmark for free trade worldwide.

By the way, TTIP is coming to Charlotte. The Trans-Atlantic Business Council, the Center for Transatlantic Relations and Central Piedmont Community College are sponsoring a conference to discuss the partnership on Dec. 2 at the school's Harris Conference Center.

▶ BUSINESS PULSE SURVEY



THIS WEEK'S QUESTION

WOULD YOU USE YOUR CELLPHONE TO PAY AT A REGISTER?

▶ WHAT DO YOU THINK?

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