

# DISCUSSION PAPERS IN ECONOMICS

Working Paper No. 11-01

**Identifying Spillover Effects From Enforcement of the  
National Ambient Air Quality Standards**

# Identifying Spillover Effects From Enforcement of the National Ambient Air Quality Standards

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# 1 Introduction

In this paper, I examine the effect of county-level air quality regulatory status on polluting behavior across counties. Two often analyzed responses of firms to regulations are their choice of emissions levels and firm location decisions. The emissions data used here capture both behaviors. I separately examine what is happening at the extensive (facility numbers) and intensive (emission levels) margins. For the analysis, I use attainment status as a proxy for air quality regulatory regime where regulation of ozone creates a tighter regulatory climate that could spill over and lead to reduced emissions of a large range of pollutants.

Ozone is regulated subject to the National Ambient Air Quality Standards (NAAQS) of the Clean Air Act (CAA). To identify spillover effects, I use the EPA's Toxics Release Inventory (TRI), which reports emissions of multiple hazardous air pollutants (HAPs) including precursors for ozone. When a county is out of compliance (or also referred to as being out of attainment) for ozone, the state implements a strict plan for reducing the precursors to ozone which are volatile organic compounds (VOCs) and nitrogen oxides ( $NO_x$ ). Since the TRI contains VOCs as well as non-VOCs, a reduction in VOCs is expected, which consequently would lower the overall TRI measure. By disaggregating the TRI data, this paper also examines what happens to non-VOCs due to ozone nonattainment. Since non-VOC hazardous air pollutants are regulated, although not under the NAAQS, as a final test for spillovers, I examine the effect of ozone nonattainment on unregulated greenhouse gas emissions from a combination of on-site and off-site cropland production.

Previous studies have made a link between nonattainment status for criteria pollutants subject to the NAAQS of the Clean Air Act and emission levels for those specific pollutants. There have been no attempts in the existing literature to identify these spillovers. This is important because not accounting for these spillovers could lead policy-makers to significantly underestimate the potential benefits (in terms of reduced pollution levels) associated with the NAAQS.

The results provide support for the existence of spillovers as evidenced by the reduction of non-VOC emissions associated with nonattainment status of 1-hour ozone. The reduction of overall TRI emissions is caused by reductions of both VOCs and non-VOCs. Since the number of TRI reporting facilities is decreasing and there is a lack of a statistically significant relationship between ozone nonattainment and pounds of emissions per facility, I can conclude that the exodus of facilities is the primary reason for decreased emissions. The reduction of unregulated carbon dioxide emissions associated with cropland production due to ozone nonattainment is further evidence of spillover effects. This paper is the first to address these air quality regulatory spillovers and thus report such findings.

The paper is organized as follows. Section 2 provides a background of the regulatory process as well as a review of related previous literature. Section 3 lays out the conceptual framework. Section 4 describes the data. Section 5 specifies the empirical framework and identification strategy and section 6 summarizes the estimation results. Finally, Section 7 concludes.

## 2 Background

### 2.1 The Regulatory Process

The U.S. Environmental Protection Agency has identified the following six pollutants as cri-

plants are subject to much stricter controls in nonattainment areas, relative to attainment areas. Henderson [14] explains that all firms in nonattainment counties are more likely to be closely monitored and subject to greater enforcement efforts.

In addition to the NAAQS criteria pollutants, the EPA and local environmental agencies monitor and regulate a wide range of other pollutants often referred to as hazardous air pollutants (HAPs). Currently no federal standards exist limiting the amount of ambient air concentrations of these pollutants, however there are regulations in place under Section 112 of the Clean Air Act<sup>3</sup> requiring industries to reduce these compounds using the maximum available control technology (MACT). There are a number of HAPs that are regulated indirectly for NAAQS, because many HAPs are volatile organic compounds (VOCs) which help form the criteria pollutants ozone and particulate matter.

## 2.2 Firm Response to Regulation

In the literature on firm behavioral response to environmental regulation there are two main categories into which firm behavior can be grouped: the intensive margin and the extensive margin. The intensive margin is firms' choice of emission levels and the extensive margin is firms' location choice. Different measures or proxies for regulatory stringency that have been used in previous studies include nonattainment status for criteria pollutants subject to NAAQS, air pollution abatement (APA) expenditures such as the Pollution Abatement Costs and Expenditures (PACE) Survey, number of inspections and enforcement activities at facilities, records of green voting in Congress, and right-to-work status of states.

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<sup>3</sup>42 USC §7412 (Law); 40 CFR §61.63 (Implementation)

### 2.2.1 Intensive Margin

The intensive margin is firms' choice of emission levels, which could include reducing output or introducing better technology to meet the emissions standards. The following papers use nonattainment status for NAAQS criteria pollutants as a proxy for regulatory stringency and examine the effect of nonattainment status on the corresponding criteria pollutant. Henderson [14] examines the effects of nonattainment status for 1-hour ozone on levels of ozone. His results suggest that a switch in county attainment status to nonattainment induces a greater regulatory effort and results in cleaner air, particularly a 3-8 percent improvement in ground-level ozone. Greenstone [13] finds that  $SO_2$  nonattainment status is associated with modest reductions in  $SO_2$  concentrations. Chay and Greenstone [9] and [10] find striking evidence that TSP levels fell substantially more in TSP nonattainment counties than attainment counties. Aufhammer et al. [4] examine whether nonattainment status is responsible for the drops in  $PM_{10}$  experienced in nonattainment counties. In a spatially disaggregated analysis with the emissions monitor as the unit of observation, monitors that exceed the federal standards experience drops greater than the average of the remaining monitors within the same county. The county nonattainment status does not explain a statistically significant share of the variation in  $PM_{10}$  concentrations.

Anton et al. [3] proxy for environmental regulation using inspections and number of superfund sites. They find that stricter regulation induces firms to adopt more environmental management systems (EMSs) and environmental management practices (EMPs), which they show reduce emissions of HAPs. Terry and Yandle [18] use environmental expenditures as

a proxy for regulatory action and fail to find a meaningful statistical relationship between expenditures and reductions in toxic releases using a cross sectional analysis. Becker [5] examines the effect that nonattainment status has on air pollution abatement activity at the firm level using the PACE survey. His results suggest that heavy emitters in nonattainment counties were subject to more stringent regulation and therefore had higher APA expenditures.

### **2.2.2 Extensive Margin**

Firm location decisions are commonly classified as the extensive margin. The types of location decisions firms make include shifting production across facilities in the case of multi-plant firms, physically relocating existing operations, and choosing where to open new facilities in order to avoid the most stringent regulatory standards. Becker and Henderson [6] suggest that firm births fall dramatically in counties that are in nonattainment for ozone. Using the PACE survey as a measure of regulatory stringency, Levinson [16] reports that there is little evidence that stringent state environmental regulations deter new plants from opening. Focusing on the paper and oil industries, Gray and Shadbegian [12] find that states with stricter regulations have smaller production shares. They use a variety of proxies for state-level environmental regulation including nonattainment status, congressional voting records on environmental legislation, pollution abatement spending, and an index of state environmental laws. Using similar measures of regulatory stringency, Gray [11] finds that states with stricter regulations tend to have lower birth rates of new plants. Even though the impacts are not enormous, according to the paper, these results are similar to explanatory





It is very conceivable that facilities would leave counties with strict regulation, which would lower total emissions in nonattainment counties, but increase total emissions in attainment counties where regulation is relatively less stringent. This case would not necessarily result in a net reduction of emissions, but rather a redistribution of emissions. If facility numbers are increasing, but pounds per facility are decreasing, then firms are emitting less and that is the primary factor causing the reduced emissions. Cleaner facilities entering the county is a possible story consistent with this scenario. The first set of estimations of the paper tests whether there are lower overall emissions in ozone nonattainment counties and whether these are due to fewer facilities or fewer pounds of emissions per facility.

After estimating the effect of ozone nonattainment status on an overall measure of toxic air releases, if that effect is negative, then it is necessary to examine whether the emissions of ozone precursors are the only factor influencing this decline in total emissions or whether regulation has effects on those that are not ozone precursors. Through this disaggregation I am able to identify spillover effects from the regulation of ozone. Recall that these toxic releases are either indirectly regulated under the NAAQS for the case of VOCs or under Section 112 of the Clean302(CI-36mr2(orClean302Ac-28.8/F33 7.970121.0166.382 4.)-3ction)428.8/F52





The data on carbon dioxide is fossil-fuel  $CO_2$  emissions associated with cropland production in the United States. On-site emissions refer to emissions occurring on the farm. Off-site emissions are those that occur off the farm such as emissions from the production of fertilizers and pesticides. The measure of  $CO_2$  used here is the total of both on-site and off-site emissions. Units are Megagram C for  $CO_2$  estimates. These data span the years 1990-2004 [8].

Per capita income data were obtained from the Bureau of Economic Analysis [17] and population density data were obtained jointly from the U.S. Census Bureau [7] and the EPA's Risk-Screening Environmental Indicators [?]. Both were available at the county level annually from 1988 to 2006. There are other variables I wish to obtain, but they are either available annually but at the state level or available at the county level but for only certain years. The variables that I would ideally like to include if available are median age, median income, racial composition, ozone concentrations, percent college graduates, percent with children, and percent elderly.

## 5 Empirical Specifications

### 5.1 Model 1: TRI emissions, facilities, and per facility emissions

I use the first part of this model to estimate the effect of nonattainment status on overall toxic releases. I construct a 15-year panel data set which includes the years 1988-2002 and includes the top fifty percent of TRI emitting counties, due to the large number of counties with zero emissions (743 counties) over the fifteen year period. The dependent variable is total pounds of stack air emissions from the TRI. The key explanatory variables are

nonattainment status broken up into two measures. The first is an indicator variable which equals 1 if the county is designated as nonattainment for 1-hour ozone (either whole or part) in year  $t$  and equals 0 otherwise. The second is the cumulative number of years a county has been in nonattainment. This measure is used because firms that have been in nonattainment longer will have even stricter regulations than counties that have just entered nonattainment status. I control for population density and per capita income.

Using an ordinary least squares fixed-effects framework I estimate the parameters of the following regression equation

$$TRI_{it} = \alpha + \text{Nonattain}_{it} + \mathbf{X}_{it} + \beta_1 d1989_t + \dots + \beta_{14} d2002_t + \mu_i + \epsilon_{it} \quad (5.1)$$

where  $TRI_{it}$  represents the measure of total pounds of TRI stack air emissions in county  $i$  in year  $t$ .  $\text{Nonattain}_{it}$  is a matrix of nonattainment variables which includes a dummy variable for whether county

1988-2002 and the top fifty percent of TRI emitting counties, however in these specifications the dependent variables are number of TRI reporting facilities per county and pounds of TRI stack air emissions per facility per county. To find out whether toxic releases are decreasing due to fewer facilities or lower per facility emissions, I estimate the parameters of the following two equations

$$Facilities_{it} = \alpha + \mathbf{Nonattain}_{it} + \mathbf{X}_{it} + \beta_1 d1989_t + \dots + \beta_{14} d2002_t + \epsilon_{it} \quad (5.2)$$

$$\frac{Emissions}{Facility}_{it} = \alpha + \mathbf{Nonattain}_{it} + \mathbf{X}_{it} + \beta_1 d1989_t + \dots + \beta_{14} d2002_t + \epsilon_{it} \quad (5.3)$$

using an ordinary least squares fixed-effects framework where  $Facilities_{it}$  represents the measure of TRI reporting facilities in county  $i$  in year  $t$ .  $Emissions=Facility_{it}$  is per-facility emissions in county  $i$  in year  $t$ .  $\mathbf{Nonattain}_{it}$  is a matrix of nonattainment variables which includes a dummy variable for whether county  $i$  is designated as nonattainment for ozone in year  $t$  and a variable for the cumulative number of years since county  $i$  was last in attainment for ozone.  $\mathbf{X}_{it}$  is a matrix of control variables which includes population density and per capita income.

through the NAAQS for ozone. The remaining four are regulated as HAPs, but are not subject to same federal standards as the criteria pollutants.

I construct a 15-year panel data set which includes the years 1988-2002 and includes the top fifty percent of TRI emitting counties. The dependent variables are each of the top ten TRI stack air releases from the TRI. The explanatory variables are nonattainment status for ozone and cumulative number of years a county has been in nonattainment. I control for population density and per capita income.

To differentiate between the effects on VOCs and non-VOCs I estimate the parameters of the following equation for each of the top ten TRI releases using an ordinary least squares fixed-effects framework.

$$IndividualTRI_{jit} = \alpha_j + \mathbf{Nonattain}_{it} \beta_j + \mathbf{X}_{it} \gamma_j + \delta_{j1}d1989_t + \dots + \delta_{j14}d2002_t + \mu_i + \epsilon_{jit} \quad (5.4)$$

$IndividualTRI_{jit}$  is pounds of individual toxic release  $j$  for county  $i$  in year  $t$ , where  $j$  represents each of the top ten TRI releases.  $\mathbf{Nonattain}_{it}$  is a matrix of nonattainment variables which includes a dummy variable for whether county  $i$  is designated as nonattainment for ozone in year  $t$  and a variable for the cumulative number of years since county  $i$  was last in attainment for ozone.  $\mathbf{X}_{it}$  is a matrix of control variables which includes population density and per capita income.  $d1989_t, \dots, d2002_t$  are dummy variables for years 1989-2002. The term  $\mu_i$  is the county fixed effects term and  $\epsilon_{jit}$  is the idiosyncratic error term.



### 5.3 Model 3: Unregulated greenhouse gas emissions

I use this model to estimate the effect of ozone nonattainment on the unregulated greenhouse gas carbon dioxide, specifically carbon dioxide from cropland production. I construct a panel data set using all counties and the years 1990-2002.

To find out the effect that ozone nonattainment has on unregulated greenhouse gases, I estimate parameters for the following equation

$$CarbonDioxide_{it} = \beta_0 + \beta_1 Nonattain_{it} + \beta_2 X_{it} + \beta_3 d1991_t + \dots + \beta_{12} d2002_t + \mu_i + \epsilon_{it} \quad (5.5)$$

where  $CarbonDioxide_{it}$  represents megagrams or metric tons of carbon from cropland production in county  $i$  in year  $t$ .  $Nonattain_{it}$  is a matrix of nonattainment variables which includes a dummy variable for whether county  $i$  is designated as nonattainment for ozone in year  $t$  and a variable for the cumulative number of years since county  $i$  was last in attainment for ozone.  $X_{it}$  is a matrix of control variables which includes population density and per capita income. To control for year effects that affect all counties, I include  $d1991_t, \dots, d2002_t$  as dummy variables for years 1991-2002. The term  $\mu_i$  is the county fixed effects, containing all factors within a county

ment status), so ideally I would like to use the data with the most variation so I can tell if switching regimes makes a difference in emission levels.

Table 2: Nonattainment county variation

	1-hour Ozone	$PM_{10}$	$SO_2$
Number of counties always in attainment	1217	1505	1514
Number of counties never in attainment	168	0	19
Single Change: Nonattainment to attainment	100	0	33
Single Change: Attainment to Nonattainment	35	50	0
Multiple Changes	47	12	1

*Sample includes the top 50% of TRI emitting counties (1567).*

Looking at the  $SO_2$  nonattainment data, 33 counties make a switch from nonattainment to attainment. These are counties that are already in nonattainment in 1988 and return to attainment status at some point over the next 15-year period. There are no counties in attainment in 1988 that make a single switch to nonattainment. There is only one county that makes multiple switches (nonattainment to attainment and back to nonattainment). Therefore there is not much variation to exploit using the  $SO_2$  nonattainment data.

$PM_{10}$  was initially regulated in 1991 as a result of the Clean Air Act amendments of 1990. On July 1, 1987, the EPA revised the NAAQS for particulate matter, replacing total suspended particulates (TSPs) as the indicator for particulate matter with a new indicator that included only those particles less than or equal to 10 micrometers in diameter. The switch in standards came from the recognition that particulate matter smaller than 10 micrometers in diameter posed more of a health risk than the larger particles. The standard



147 counties that made this switch. For each county, I define the year of the switch from nonattainment to attainment as year 0 (or  $t = 0$ ). The year before the switch is redefined as year -1 (or  $t = -1$ ) and the year after the switch is redefined as year 1 (or  $t = 1$ ). So if county  $i$  was redesignated as attainment in 1993, 1994 would be year 1 and 1992 would be year -1. I am concerned about overall TRI emissions between the span of three years

change in trend, the residuals should equal zero. If there is a significant break in trend due to the switch from nonattainment to attainment or attainment to nonattainment, then the residuals should be statistically significantly different from zero. For each county I keep the residuals from years  $t = 1;2;3$  and test the following hypothesis

$$H_0 : Residuals = 0 \quad (5.6)$$

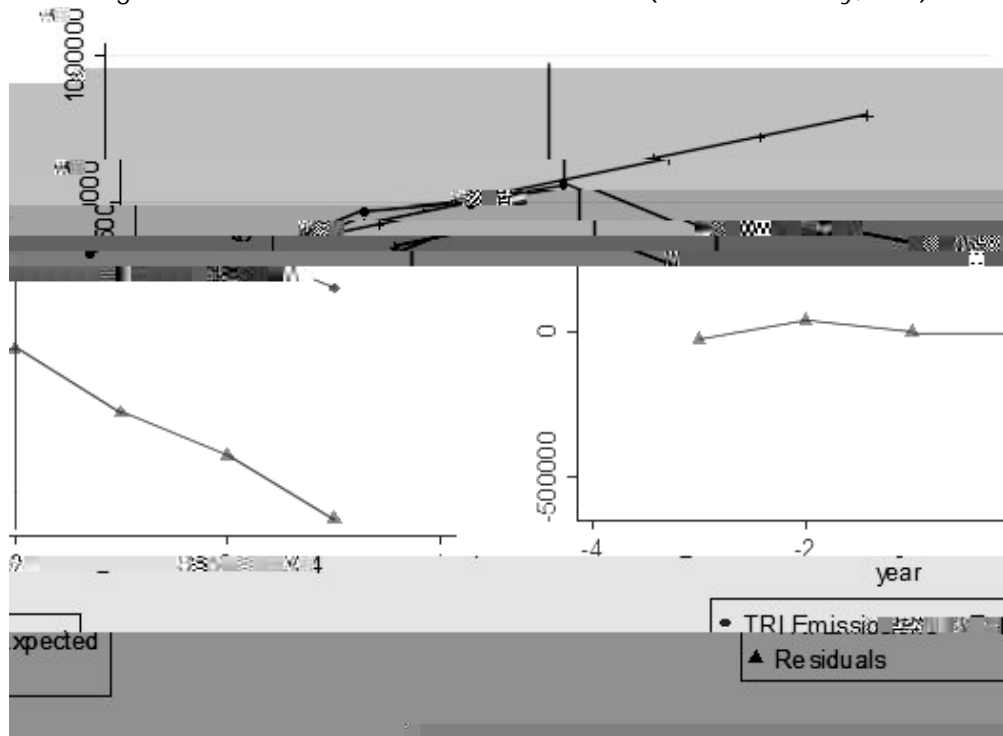
$$H_A : Residuals \neq 0 \quad (5.7)$$

using a t-test with 2 degrees of freedom. This is done for both types of regime switches. The results of these t-tests are given in Table 4 and Table 5. An example of a significant break from the pre-switch trend is Sussex County, Delaware (depicted in Figure 1) which switched from attainment to nonattainment in 1991. In Sussex County before the switch TRI emissions are increasing and after the switch TRI emissions are decreasing. If there is a significant break in trend, then the switch in attainment status matters in a statistical sense. Table 3 summarizes the t-test results and 53 out of 123 counties that make the switch from nonattainment to attainment experience a significant break in trend, where 31 out of 82 counties that make a switch from attainment to nonattainment experience a significant break in trend.

Table 3: T-test Results (Summary)

Nonattainment to Attainment				Attainment to Nonattainment			
Significance	Counties	Trend	Counties	Significance	Counties	Trend	Counties
10% Level	24	Pos/Pos	1	10% Level	9	Pos/Pos	1
5% Level	24	Pos/Neg	23	5% Level	16	Pos/Neg	10
1% Level	5	Neg/Neg	3	1% Level	6	Neg/Neg	7
		Neg/Pos	26			Neg/Pos	13
Total	10%		53	Total	10%		31
Total Counties			123	Total Counties			82

Figure 1: Attainment to Nonattainment (Sussex County, DE)



## 6 Results

The estimation of the first model achieves two objectives. The first is to examine the effect of additional years on nonattainment on TRI emissions. Emissions are expected to decline because of a tighter regulatory climate. The second objective is to determine using the second and third specifications of the model whether TRI emissions are declining because of a decrease in TRI reporting facilities or because individual facilities are reducing emissions. The estimation results are summarized in Table 6.

Estimation of the first specification confirms the expectation that the longer a county is in nonattainment for ozone the greater the reduction of TRI emissions since the coefficient on 'Years Nonattainment' is negative and statistically significant at the 1% level. Generally

speaking, for each additional year a county is in nonattainment for ozone overall TRI emissions per county are reduced by 17,926 pounds. Given the average emissions per county in a given year are 897,266 pounds, this is a modest reduction (2% of the average). Since TRI consists of 612 releases, it is likely that spillover effects are present, but it is not possible to be sure because VOCs are included in the TRI measure. It is possible that TRI emissions are declining only because of reductions of VOCs. I examine these more closely in the second model when I disaggregate and estimate the effects on individual releases.

The second part of the model decomposes the extensive margin and the intensive margins. From the estimation of the second specification the number of TRI reporting facilities are declining as a result of ozone nonattainment. The coefficient on 'Years of Nonattainment' is negative and significant at the 1% level. This translates into one less facility for every four years a county is in nonattainment (.26 fewer facilities for each year). From the estimation of the third specification, the lack of statistical significance suggests that nonattainment has almost no effect on per facility TRI emissions. It appears that firm exodus is the cause of the reduced emissions. This conclusion is consistent with many of the studies on firm location decisions which find that strict environmental regulation induces firms to locate in

VOCs included in the TRI or if other releases are affected as well. Of the top five TRI releases three are VOCs and six of the top ten releases in the TRI are VOCs. The top ten are hydrochloric acid, methanol, ammonia, toluene, and xylene, sulfuric acid, chlorine, carbon disulfide, methyl ethyl ketone, and dichloromethane. These ten releases are all regulated, but methanol, toluene, xylene, carbon disulfide, methyl ethyl ketone, and dichloromethane are VOCs which are indirectly regulated for ozone under the NAAQS. Hydrochloric acid, ammonia, sulfuric acid, and chlorine are regulated, but not under the same federal standard as ozone. Only the results of the estimation of the top five are reported in Table 7. I simply mention results of the remaining five.

Estimation of the reduced-effects model for each of the top ten TRI releases reveals that emissions of non-VOCs are declining as a result of ozone nonattainment with the exception of chlorine. There is a significant reduction of hydrochloric acid which makes up the largest percentage (17.9%) of aggregate TRI releases. Ammonia, the third largest percentage (9%), is also significantly reduced as a result of nonattainment. An additional year of ozone nonattainment is associated with a 19,234 pound reduction of hydrochloric acid and a 31,448 pound reduction of ammonia. The average of emissions of hydrochloric acid and ammonia are 270,837 and 203,501 pounds respectively. A change of 19,234 pounds of hydrochloric acid is 7.1% of the average and a change of 31,448 pounds of ammonia is 15.5% of the average, which is a fairly substantial reduction. Sulfuric acid decreases with additional years on nonattainment, however is not statistically significant. This is evidence of spillovers since these non-VOCs are not regulated under the National Ambient Air Quality Standards.



VOCs are indirectly regulated under the NAAQS and those VOCs examined here, with the exception of carbon disulfide, are lower as expected as a result of ozone nonattainment because they are precursors to ozone formation.

As a final check for spillover effects using the third model, I test whether ozone nonattainment has an effect on unregulated emissions. Carbon dioxide emissions from cropland production are used for this final test as the dependent variable of interest. The results from parameter estimation are summarized in Table 8.

The coefficient on 'Years of Nonattainment' is negative and statistically significant at the 1% level which implies that an additional year of ozone nonattainment leads to a 24 megagram reduction of carbon dioxide from cropland production. However, with a mean emissions level of 7,178 megagrams, this change, which is 0.3% of the average, seems to be only a very modest reduction. Ozone nonattainment not only has a significant negative effect on toxic releases (both VOCs and non-VOCs), but also leads to lower unregulated greenhouse gas emissions such as carbon dioxide.

## **7 Conclusion**

The results provide support for the existence of spillovers as evidenced by the reduction of non-VOC emissions associated with nonattainment status of 1-hour ozone. The reduction of overall TRI emissions is caused by reductions of both VOCs and non-VOCs. Since the number of TRI reporting facilities is decreasing and there is a lack of a statistically significant relationship between ozone nonattainment and pounds of emissions per facility, it seems reasonable to conclude that the exodus of facilities is the primary reason for decreased

emissions. The reduction of unregulated carbon dioxide emissions associated with cropland production due to ozone nonattainment is further evidence of spillover effects.

To the best of my knowledge, this paper is the first to address these air quality regulatory spillovers and thus report such findings. Important implications of these findings would be that not accounting for these spillovers could lead policy-makers to significantly underestimate the potential benefits (in terms of reduced pollution levels) associated with the NAAQS. Also this analysis provides additional credibility for the use of nonattainment status as a proxy for regulatory stringency.

## References

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Table 4: T-test Results By County (Switch from Attainment to Nonattainment)

County	P-value	Signi cance	County (cont)	P-value	Signi cance
AL.SHELBY	0.5435		NY.SARATOGA	0.0121	**
CA.ALAMEDA	0.5963		NY.SCHENECTADY	0.0883	*
CA.CONTRA COSTA	0.084	*	OH.DELAWARE	0.4351	
CA.SAN MATEO	0.0332	**	OH.FRANKLIN	0.3505	
CA.SANTA CLARA	0.4521		OH.LICKING	0.0115	**
DE.KENT	0.0636	*	OH.MEDINA	0.0926	*
DE.SUSSEX	0.3762		OH.WOOD	0.6862	
GA.CHEROKEE	0.0022	***	PA.BLAIR	0.1498	
IL.GRUNDY	0.0948	*	PA.CAMBRIA	0.0302	**
IL.KENDALL	0.0806	*	PA.MERCER	0.2635	
IL.MC HENRY	0.1909		PA.SOMERSET	0.3846	
IL.WILL	0.3507		SC.CHEROKEE	0.0079	***
IN.VANDERBURGH	0.1137		TN.KNOX	0.8988	
KY.DAVIESS	0.2463		TX.CHAMBERS	0.1012	
KY.FAYETTE	0.1405		TX.COLLIN	0.3366	
KY.GREENUP	0.161		TX.DENTON	0.2453	
KY.HANCOCK	0.359		TX.FORT BEND	0.0946	*
KY.MARSHALL	0.2701		TX.HARDIN	0.1075	
KY.OLDHAM	0.2433		TX.MONTGOMERY	0.2875	
KY.SCOTT	0.0322	**	VA.CHESAPEAKE CTY	0.2518	

Table 5: T-test Results By County (Switch from Nonattainment to Attainment)

County	P-value	Signi	cance	County (cont)	P-value	Signi	cance	County (cont)	P-value	Signi	cance
CA.ALAMEDA	0.1992			MI.OTTAWA	0.1898			OR.CLACKAMAS	0.0727	*	*
CA.CONTRA COSTA	0.4945			MI.ST CLAIR	0.3019			OR.MULTNOMAH	0.0533	*	*



Table 8: Model 3 - Fixed Effects OLS Estimation Results

	Carbon Dioxide from Cropland Production (Megagram C)
Nonattainment for Ozone	627.085** [71.48741]
Years of Ozone nonattainment	-24.09921** [4.47217]
Per capita Income	-.0049505 [.0043196]
Population Density	-.5547635* [.2225101]
Constant	7,113.848** [69.85546]
Observations	40,703
$R^2$	0.0243

Standard errors in brackets

\* significant at 5% level; \*\* significant at 1% level



Table 9: Summary Statistics

Top 50% of Emitting Counties (1988-2002)

Variable	Obs	Mean	Std. Dev.	Min	Max
TRI pounds (stack air)	23,505	897,266	2,731,773	0	1.19e+08
TRI reporting facilities	23,505	8.5612	18.1613	0	486
Per facility emissions	23,505	182,606.3	945,129.4	0	6.50e+07
Years of nonattainment for ozone	23,505	2.66237	6.332302	0	25
Nonattainment for ozone	23,505	.1732823	.3784992	0	1
Per capita income	23,505	19,923.31	5,601.505	7380	61759
Population density	23,505	132.4999	555.7981	0	13582
Hydrochloric Acid	23,505	270,837	2,185,927	0	1.53e+08
Ammonia	23,505	203,501.4	1,482,101	0	6.03e+07
Toluene	23,505	185,820	680,646.2	0	2.70e+07
Methanol	23,505	297,848.2	1,221,581	0	3.08e+07
Xylene	23,505	133,017.2	694,400.7	0	4.86e+07
Dichloromethane	23,505	56,019.37	310,548.4	0	1.05e+07
Carbon disulfide	23,505	45,282.74	977,027.9	0	4.62e+07
Methyl ethyl ketone	23,505	91,752.37	385,377.6	0	1.82e+07
Chlorine	23,505	46,947.11	1,652,505	0	1.10e+08
Sulfuric acid	23,505	248,979.8	4,077,513	0	2.57e+08

All Counties (1988-2002)

Variable	Obs	Mean	Std. Dev.	Min	Max
Cropland CO <sub>2</sub> (Megagrams)	40,703	7,178.088	8,246.035	0	70,678.95
Years of nonattainment for ozone	40,703	1.62192	5.20538	0	25
TRI reporting facilities	23,357	850.9701	1008(81)-1956d	0	13582