

**MINUTES OF THE  
ECONOMIC DEVELOPMENT TASK FORCE**  
Thursday, October 4, 2012 – 8:00 a.m. – Room 445 Capitol Building

**Members Present:**

Senate Chair Stuart C. Reid,  
House Chair Brad R. Wilson,  
Rep. Patrice Arent  
Rep. Brad L. Dee  
Mr. Todd Bingham  
Mr. Rob Despain  
Mayor Tom Dolan  
Mr. Scott Hirschi  
Mr. J. Steven Price

**Members Absent:**

Sen. Patricia W. Jones  
Sen. Ralph Okerlund  
Rep. Jim Bird  
Rep. Brad G. Last  
Rep. Rebecca Chavez-Houck  
Mr. Spencer Eccles  
Mr. Wesley Smith

**Staff Present:**

Mr. Robert H. Rees, Associate General Counsel  
Mr. Benjamin N. Christensen, Policy Analyst  
Mr. Nathan W. Brady, Policy Analyst  
Ms. Jennifer Christopherson, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Wilson called the meeting to order at 8:12 a.m.

**MOTION:** Sen. Reid moved to approve the minutes of the September 20, 2012, meeting. The motion passed unanimously.

**2. Air Quality and Utah Economic Development**

Rep. Arent introduced Mr. Craig Wagstaff, Executive Vice President, Questar Gas, and briefly spoke about his background.

Mr. Wagstaff gave the presentation "Questar Gas - A Natural Gas Focused Energy Company" and said that the number of natural gas vehicles has increased substantially but is still far lower than regular gas vehicles. He discussed the demand for natural gas around the nation and said that states are joining together to use natural gas vehicles in state fleets. He responded to questions from the committee by stating that there are currently no laws impeding the production of natural gas. Mr. Wagstaff explained that a substantial amount of water is used in the extraction of natural gas and therefore we need to be prudent with the usage of that water. He spoke about the incentives for natural gas vehicle owners.

Rep. Arent introduced Mr. Jonathan Johnson, President, Overstock.com, and briefly spoke about his background.

Mr. Johnson spoke about Utah's air quality and how it has hindered employee recruitment at Overstock.com. He discussed the incentives offered and efforts made by Overstock.com to alleviate the air quality issue including carpooling, UTA passes, and teleworking. He responded to questions from the committee by saying that informing companies about small things that can be done to help the issue would make a big difference.

Rep. Arent introduced Dr. Arden Pope, Professor of Economics, Brigham Young University, and briefly spoke about his background.

Dr. Pope presented "Controlling Air Pollution in Utah: Trends, Health and Economic Benefits" and said that fine combustion particle pollution is the greatest concern. He explained what fine combustion particles are

and the concentration levels in Utah Valley and the Salt Lake Valley by stating that there has been improvement but that we still occasionally exceed the National Ambient Air Quality 24-hour Standard. He discussed the health effects of fine particles and provided data from various studies of 100 cities around the world that demonstrate an association between air pollution and cardiopulmonary disease and that it also impacts lung development in children. Chair Wilson requested an Internet link from Dr. Pope to the information from the report to Congress on the benefits and costs of federal regulation and funded mandates by the Office of Management and Budget. Dr. Pope responded to questions from the committee by stating that, of the industries that were interviewed in the 1980's, the biggest deterrent to moving businesses to Utah was the air pollution. Sen. Reid requested that Dr. Pope provide the committee with the information from the study of the economic impact of the closure of Geneva Steel.

Rep. Arent introduced Mr. Lee Peacock, President, Utah Petroleum Association, and briefly spoke about his background.

Mr. Peacock introduce Mr. Mike Astin, Environmental Manager, Hollyfrontier Refinery, Chair, Environmental Subcommittee. Mr. Peacock gave an overview of the Utah Petroleum Association and said that the intermountain west is self sufficient when it comes to fuels. He explained that the refineries in Utah provide fuel for many assets in Utah, Idaho, Washington, Wyoming, and Nevada. He said that oil and gas produced from state trust lands provides a major portion of revenue to Utah's permanent school fund for the benefit of Utah's school children. Mr. Peacock noted that less than 20% of the PM2.5 emissions come from point sources and that Utah's refineries have reduced their emissions dramatically over the years.

Mr. Astin said that the Hollyfrontier Refinery has been very active in air quality improvement not only dealing with what is required but also with what can be done beyond the requirements.

Mr. Peacock responded to questions from the committee by saying that a well funded Division of Air Quality helps everyone.

Rep. Arent introduced Mr. Stephen Sands, Director of External Affairs, Kennecott Utah Copper, and briefly spoke about his background.

Mr. Sands presented "Kennecott Utah Copper - Take a closer look" and discussed Kennecott Utah Copper's role in emissions in Utah. He said that Kennecott Utah Copper's 5.8% contribution to emissions does not contribute to the inversion as much as people think. He spoke about various projects Kennecott Utah Copper has implemented to improve air quality including idle reduction, smelter capture, and voluntary initiatives. Mr. Sands responded to questions from the committee by saying that idle reduction has provided substantial savings for Kennecott Utah Copper and that air quality will take a collective effort to improve.

Mr. Bryce Bird, Director, Division of Air Quality, distributed and discussed "It's Up To All Of Us - The Utah Division of Air Quality PM2.5 State Implementation Plan Information Booklet." He responded to questions from the committee by saying that, over the last five years, the PM2.5 levels have been flat and that Utah's air could look clean but still have very high ozone emission levels.

Chair Wilson relinquished the chair to Sen. Reid.

Chair Reid announced to the committee that the next meeting would take place on October 18 at 8 a.m. in the Capitol Board Room, located in the State Capitol Building, and that it will be held in a classroom setting.

### **3. Other Business / Adjourn**

**MOTION:** Rep. Dee moved to adjourn the meeting. The motion passed unanimously with Rep. Wilson

absent for the vote.

Chair Reid adjourned the meeting at 10:14 a.m.