



## Industrial Energy Consumers of America

*The Voice of the Industrial Energy Consumers*

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June 30, 2011

The Honorable Fred Upton  
Chairman  
Committee on Energy & Commerce  
Washington, DC 20515

The Honorable Henry Waxman  
Ranking Member  
Committee on Energy & Commerce  
Washington, DC 20515

The Honorable Ed Whitfield  
Chairman  
Subcommittee on Energy and Power  
Washington, DC 20515

The Honorable Bobby Rush  
Ranking Member  
Subcommittee on Energy and Power  
Washington, DC 20515

Dear Chairmen and Ranking Members:

On behalf of the Industrial Energy Consumers of America (IECA) and the competitiveness of manufacturers across the country, we strongly urge the Congress to support H.R. 2250, the “EPA Regulatory Relief Act of 2011.” H.R. 2250 does not change the Clean Air Act. It simply allows manufacturing companies to achieve new air quality standards in a more cost effective approach and provides regulatory certainty that is absent under EPA’s final rule changes. Nonetheless, implementing new stringent air quality standards under H.R. 2250 will cost our companies billions of dollars. Having lost 5.7 million manufacturing jobs since 2000, the cost effectiveness of regulations are not a luxury, they are an absolute necessity to job retention and creation.

We believe that this legislation meets the intent of President Obama’s January 18, 2011 Executive Order 13563 that calls for “Our regulatory system to protect public health, welfare, safety, and our environment while promoting economic growth, innovation, competitiveness, and job creation.” H.R. 2250 is a rational alternative and we anticipate his support.

IECA member companies are not opposing meeting the goals of the Clean Air Act. We are opposing the unnecessarily costly approach proposed by the EPA that threatens competitiveness of manufacturing facilities through costly new capital and operating costs. Also, more time is needed for compliance for several reasons, including lowering costs.

Importantly, the EPA final rule changes are just as unaffordable as the proposed rules were. The final Boiler MACT rule alone would cost over \$14 billion in capital for the manufacturing sector, plus billions more in annual operating costs. Complying with the incinerator standards could cost several billion dollars more in capital.

Problems with the EPA Rules:

- EPA published final rules knowing that flaws were included to meet a court ordered deadline.

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- The rules are not achievable for real-world boilers across the range of fuels and operating conditions.
- They also require extremely costly controls in some areas where lower cost work practices would be adequate to protect public health.
- EPA has created a presumption that materials commonly used as fuels are waste – subject to extremely costly incinerator standards. If not changed, many facilities would stop using, for example, renewable and other onsite cost effective fuels. This would not only impose hundreds of millions of dollars in unreasonable costs, but it also would increase the use of fossil fuels and cause millions of tons of valuable materials to be diverted to landfills. This does not make economic or environmental sense.

Legislation is needed to resolve serious uncertainties and costs, including to:

- Ensure the rules are stayed for an adequate and certain period, as EPA's current administrative stay is being challenged.
- Allow EPA adequate time to re-propose the rules and get them right, including time for stakeholders to conduct more emissions testing and to avoid mistakes that occur when rulemakings of this scope and importance are rushed and become vulnerable to legal challenge.
- Provide direction and support for EPA to use the discretion it already has under the Clean Air Act and Executive Order 13563 to add flexibility and make the rules achievable.
- Clarify that various materials, such as biomass residuals are fuels and that certain gases in manufacturing processes do not result in boilers being treated as incinerators.
- Give facilities more time to comply with the complex and capital-intensive requirements of the rules.

So far this year, manufacturing has added 173,000 jobs against the backdrop of the loss of 5.7 million since 2000. This figure puts in perspective the need for responsible and more cost effective regulation. We look forward to working with you on this important issue.

Sincerely,

Paul Cicio  
President

cc: President Barack Obama  
Congressman Morgan Griffith  
Congressman G.K. Butterfield

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*The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$800 billion in annual sales and with more than 750,000 employees nationwide. It is an organization created to promote the interests of manufacturing companies through research, advocacy, and collaboration for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: plastics, cement, paper, food processing, brick, chemicals, fertilizer, insulation, steel, glass, industrial gases, pharmaceutical, aluminum and brewing.*