

Industrial Energy Consumers of America

The Voice of the Industrial Energy Consumers

1155 15th Street, NW, Suite 500 • Washington, D.C. 20005
Telephone 202-223-1661 • Fax 202-530-0659 • www.ieca-us.org

September 16, 2008

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means

Dear Mr. Chairman:

The Industrial Energy Consumers of America (IECA) is a trade association whose membership are exclusively large energy intensive consuming companies with representation from every sector, has firmly concluded that because they compete globally on both exports and imports; and if the US regulates ghg emissions using a cap and trade policy approach, it will be critically important that energy intensive consuming industries be provided free emission allowances to cover the resulting increase in both direct and indirect costs. If not, their competitiveness will be at risk and will unfortunately result in their movement to countries that have lower energy and compliance costs. It is a matter of economic survival.

There are several policy options beside cap and trade to regulate ghg emissions that vary greatly in effectiveness and cost. Regardless of the choice, it is essential that the 'border adjustment' issue avoid throwing the energy intensive manufacturing companies into a legal morass with the WTO. This is not only expensive and time consuming but adds tremendous uncertainties that will negatively impact companies and entire industrial sectors.

Climate change and the policies necessary to avoid and reduce greenhouse gas emissions is a top priority for IECA. We welcome the opportunity to work with you and the committee to fashion a regulatory system that is cost effective in reducing ghg emissions. We know some thing about reducing ghg emissions. The industrial sector's ghg emissions are at 1990 levels while the residential, commercial, transportation and power sectors emission have all increased by over 30 percent.

Sincerely,



Paul N. Cicio
President

The Industrial Energy Consumers of America is an association of leading manufacturing companies with \$500 billion in annual sales and with more than 850,000 employees nationwide. It is an organization created to promote the interests of manufacturing companies 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.

