



## NEWS RELEASE

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### **SMU Study: “Proposed EPA Electric Utility Air Quality Rules: Weakening the Nation’s Economic Recovery and Putting America’s Most Competitive Manufacturing Industries at Risk ”**

*“The outcome of the EPA Rules is predictable – higher electricity and natural gas costs reduce manufacturing competitiveness, jobs and exports.” Paul Cicio, President of the Industrial Energy Consumers of America*

Implementation of the proposed EPA Electric Utility Cross-State Air Pollution Rule (CSAPR) and the Utility Maximum Achievable Control Technology Rule (MACT) have grave consequences for the global competitiveness of the manufacturing sector in general but especially for the energy intensive industries. Together, studies show that on a regional basis, electric rates covering 24 states would increase 12.1 to 23.5 percent in 2016. And, coal to natural gas fuel switching would increase natural gas prices by 17 percent by 2016.

The manufacturing sector has lost 5.7 million jobs or 33 percent since 2000. That is an average annual rate of 574,000 job losses per year. A tragedy. Despite this, the manufacturing sector is currently the only sector of the economy that is showing signs of a rebound as illustrated in output and in export growth. Higher electricity and natural gas costs threaten the continued renaissance of US manufacturing.

Globally competitive energy is an essential ingredient to manufacturing growth and exports. The reason is that energy intensive products like iron and steel, chemicals, pulp and paper, glass, cement, aluminum, lime, gypsum, non-metallics, clay, refractories and textile products are the basic inputs for the production of “all” finished manufactured goods.

We urge the EPA to work with industry to implement a cost effective rule that will not raise electricity and natural gas costs. If energy intensive manufacturing industries are globally competitive, more and more of the downstream manufacturing industries will prosper as well. More manufacturing products will be produced in the United States versus imported and exports would grow accordingly. This bodes well for greater economic growth and jobs.

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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.*