



## Industrial Energy Consumers of America

*The Voice of the Industrial Energy Consumers*

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April 14, 2021

The Honorable Paul D. Tonko  
Chairman, Subcommittee on Environment & Climate Change  
Committee on Energy and Commerce  
U.S. House of Representatives  
2369 Rayburn House Office Building  
Washington, DC 20515

***Re: H.R. 2263, the Manufacturing for Our Future Act***

Dear Chairman Tonko:

Thank you for introducing H.R. 2263, the Manufacturing for Our Future Act. IECA supports this legislation and strongly encourages legislative changes to enable energy-intensive trade-exposed (EITE) technology RD&D to qualify for grants and other matters. We support your efforts to create investment and jobs in the U.S. manufacturing sector and to produce clean energy-related products and install, retrofit, or convert EITE facilities to reduce carbon intensity. Technology neutral incentives versus mandates are a powerful financial tool to drive change. The manufacturing sector must have a level playing field with their overseas competitors.

The U.S. industrial sector is a significant climate and middle-class jobs success story. According to the U.S. Energy Information Administration (EIA) from 1990 to 2019, the industrial sector reduced energy intensity by 54 percent, while increasing gross output by 359 percent. Absolute GHG emissions were reduced by 16 percent, more than any sector of the U.S. economy. There are 13 million manufacturing workers, accounting for 8.4 percent of the entire workforce that pay family sustaining wages and benefits that average over \$88,000 per year. U.S. manufacturing has one of the lowest carbon dioxide/value added intensities of any nation, about one-third of China's manufacturing sector.<sup>1</sup> That is why growing U.S. manufacturing output and displacing foreign production, reduces global GHG emissions.

There are three areas that EITE industries can potentially contribute to GHG emissions reductions. However, H.R. 2263 only covers two of the three areas.

- EITE industries can produce clean energy-related products and technology for use by the market: Section 2 (A).

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<sup>1</sup> Source: CO2 Emissions from Fuel Combustion 2018, International Energy Agency (IEA) The World Bank, <http://data.worldbank.org/indicator/NV.IND.MANF.CD>

- EITE industries can utilize non-product process technology reducing GHG emissions: Section 2 (B).
- IECA urges you to create a Section 2 (C). This section would provide RD&D grants to companies to invest in innovative early stage decarbonization technology used to produce EITE products.

We also request an equal weight of grant spending between Section 2 (A), (B), and (C).

Finally, Section 2 (3) Labor Standards, paragraph (C) requires grant recipients to “ensure that its direct suppliers demonstrate compliance with applicable labor, employment, civil rights, and health and safety laws.” This section is problematic and creates potential legal liabilities for grant recipients that can be totally out of their control and could prevent participation in the grant program. The bill’s language does not limit how far the obligation to demonstrate compliance reaches into a direct supplier’s own onsite operations, where we have no control.

Thank you for introducing this legislation. All IECA companies are manufacturers. IECA looks forward to working with you to make modifications and proceed to advance the bill.

Sincerely,

*Paul Cicio*

Paul Cicio  
President and CEO

cc: House Committee on Energy and Commerce

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*The Industrial Energy Consumers of America is a nonpartisan association of leading manufacturing companies with \$1.1 trillion in annual sales, over 4,200 facilities nationwide, and with more than 1.8 million employees. It is an organization created to promote the interests of manufacturing companies through 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: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, independent oil refining, and cement.*