



PRESS RELEASE

FOR IMMEDIATE RELEASE
September 28, 2021

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A Carbon Border Adjustment Mechanism Must Be Operational Before Leveling Carbon-Related Costs on U.S. Manufacturing

Today, the Industrial Energy Consumers of America (IECA) sent a [letter](#) to Senate and House leadership urging them to not impose direct or indirect climate-related costs onto U.S. manufacturing until a carbon border adjustment mechanism (CBAM) is in place and operational. It will take several years to do so.

“Imposing costs without an enforceable CBAM will result in GHG leakage and shift manufacturing production, jobs, and GHG emissions offshore, which achieves nothing environmentally,” said Paul N. Cicio, President and CEO of IECA. This is too important to not advance a CBAM through regular order. The manufacturing sector employs over 12 million people and will be potentially negatively impacted if we do not get this right.”

Since 1990, U.S. manufacturing has reduced CO₂ emissions by 23% more than any sector, while manufacturing gross output increased by 112%.¹ Even more outstanding is that U.S. manufacturing direct and indirect energy consumption has been flat for 50 years.²

As the U.S. and the world takes action to address climate change, it is essential to ensure a level playing field for U.S. manufacturing and especially EITE industries who compete globally. Establishing a CBAM is the best way to do so. A CBAM would impose a carbon fee on the carbon intensity of the imported products equal to the total climate costs imposed on equivalent U.S. manufacturing products, and rebate climate costs on U.S. exports.

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 worldwide. It is an organization created to promote the interests of manufacturing

¹ Source: Monthly Energy Review, U.S. Energy Information Administration (EIA); U.S. Bureau of Economic Analysis (BEA)

² U.S. Energy Information Administration (EIA)

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, brewing, independent oil refining, and cement.