



November 8, 2010

The Honorable Lisa Jackson, Administrator  
U.S. Environmental Protection Agency  
Ariel Rios Building, Mail Code 1101A  
1200 Pennsylvania Avenue, N.W.  
Washington, D.C. 20460

**Re: EPA's Proposed Rules, "National Emission Standards for Hazardous Air Pollutants for Major and Area Sources: Industrial, Commercial and Institutional Boilers," 75 Fed. Reg. 32,006 and 75 Fed. Reg. 31,896 (June 4, 2010), Dockets No. EPA-HQ-OAR-2002-0058 and EPA-HQ-OAR-2006-0790**

Dear Administrator Jackson:

As the CEO of a family-owned chemical company and chair of the American Chemistry Council's (ACC) Small Business Council which represents more than 60 companies with less than 500 employees, I share the concerns of the U.S. Small Business Administration's (SBA) Office of Advocacy about how EPA's proposed standards for industrial boilers and process heaters could harm small businesses, U.S. job creation and the economy. As SBA noted in its enclosed comments, the Boiler MACT rules "would impose significant new regulatory costs on 200,000 boilers being operated by businesses, institutions and municipalities across the country." Such costs threaten investment, expansion and hiring by small businesses – all key to the Nation's economic recovery.

SBA's Office of Advocacy is the federal government's designated voice of small businesses in the rulemaking process. I urge you to respond to the concerns the office has expressed on behalf of small entities and adopt its suggested changes before finalizing the regulations in order to minimize the threat to thousands of small businesses across the country.

As President Obama said this summer, "Our nation's small businesses are the backbone of the American economy and the main drivers of private job creation." Small firms have created two out of every three net new jobs in the U.S. economy, according to SBA. At its "High Growth Conference" this spring, discussion focused on "the barriers facing high-growth small businesses, ways in which the government can help reduce these barriers, and areas in which the government can do more – or less – to support high-growth firms." Revising the Boiler MACT rules would be an excellent step toward fulfilling your administration's pledge to help small businesses hire and expand.



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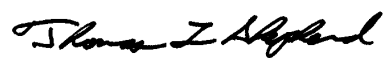
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Over four generations since our founding in 1916, Shepherd Chemical has continually grown, and we now have the scale and resources to invest in innovative new technologies and markets. From our headquarters in Norwood, Ohio to facilities in the United States, Europe and Asia, our commercial decisions rely largely on a cost analysis. Substantial regulatory costs are a roadblock to new projects, not only for my company, but for the other small chemical companies (many of which are family-owned) that I interact with through my role at ACC. Unfortunately, the proposed Boiler MACT rules would cause an estimated \$20 billion in capital costs, according to a recent study by IHS Global Insight for the Congress of Industrial Boiler Owners. The chemical industry impact would be \$3.8 billion, along with 60,000 chemical jobs at risk.

A number of changes are needed before EPA promulgates final rules. As SBA suggested, for hydrogen chloride (HCl) and manganese emissions, the Agency should adopt a Health-Based Compliance Alternative or declare that it cannot be used under the Clean Air Act. EPA should adopt additional subcategories for regulation, minimize monitoring and reporting requirements, seek public comment before requiring an “energy audit” of boilers, and provide more flexibility for emissions averaging. The proposed emission standards are far too stringent for most facilities to meet and are based on flawed, unrepresentative boiler performance data. Ironically, the proposed rules could increase air pollution by deterring investment in energy-efficient boiler equipment.

I appreciate your review of the Boiler MACT comments and your commitment to a science-based decision. I hope you will use the discretion afforded EPA under the Clean Air Act to minimize small business burdens while maintaining environmental protection, and include SBA’s changes in the final rules.

Sincerely,



Thomas Shepherd  
Chairman & CEO, The Shepherd Chemical Company  
and  
Chair, ACC Small Business Council

cc: Ms. Gina McCarthy, Assistant Administrator for Air & Radiation

Enclosure

