Statement
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ACC DEEPLY CONCERNED BY EPA’S FINAL JOHNSON MEMO ON GHGS
Administration Misses Key Opportunity for Progress on Recovery, Job Growth, Green Investment Goals

ARLINGTON, VA (March 30, 2010) – Yesterday the U.S. Environmental Protection Agency (EPA) finalized and signed its “Reconsideration of Interpretation of Regulations that Determine Pollutants Covered by Clean Air Act Permitting Programs,” also known as the “Johnson memo.”

American Chemistry Council (ACC) President and CEO Cal Dooley issued the following statement:

“We are deeply concerned and disappointed by yesterday’s announcement from EPA Administrator Lisa Jackson. Because the final ‘Johnson memo’ fails to resolve the many regulatory uncertainties surrounding permitting requirements for new construction or plant modifications at U.S. industrial facilities, good U.S. jobs will not be created and plans for innovative green investments will be significantly delayed. Chemistry companies are ready to spend millions of dollars generating green jobs while creating products and processes for energy efficiency and renewable energy, yet EPA has chosen actions that will stifle green innovation, hold back stimulus-related investments and give America’s overseas competitors an edge – contrary to the administration’s oft-stated goals.

“Outstanding regulatory questions include the definition of ‘Best Available Control Technology’ – a critical item on which even the EPA’s own Clean Air Act Advisory Committee has not reached consensus. Another is the emission thresholds under EPA’s forthcoming ‘tailoring rule’. The regulations will also affect sources that have never been subject to PSD permitting for criteria pollutants. Those sources cannot be certain whether they will or will not be subject to EPA’s GHG regulations. We also don’t yet know the path forward for states, which EPA allows to require Prevention of Significant Deterioration (PSD) permits for greenhouse gases before January 2, 2011. States may proceed under existing emission thresholds as low as 250 tons per year potential to emit. If states want to raise the threshold, perhaps to conform with the tailoring rule, they will need to change their own regulations - a challenging prospect given that state legislatures meet briefly and infrequently.

“Unless and until such significant regulatory questions are clearly answered, vital business decisions remain in limbo. With multi-million-dollar investments and loans riding on the ability to bring a new plant online by a certain date, U.S. industry simply must know what requirements that plant will face, and when. Given that the administration has decided to proceed with GHG regulation at stationary sources without first defining the requirements involved, it’s now up to
Congress to step in and provide a meaningful and much-needed delay to stationary source regulation as lawmakers continue to consider GHG reduction policies. We look forward to working with lawmakers in this important effort.”

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The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people’s lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through Responsible Care®, common sense advocacy designed to address major public policy issues, and health and environmental research and product testing. The business of chemistry is a $689 billion enterprise and a key element of the nation's economy. It is one of the nation’s largest exporters, accounting for ten cents out of every dollar in U.S. exports. Chemistry companies are among the largest investors in research and development. Safety and security have always been primary concerns of ACC members, and they have intensified their efforts, working closely with government agencies to improve security and to defend against any threat to the nation's critical infrastructure.