ACC: NEW EPA PROPOSAL ON GHG REGULATION AT STATIONARY SOURCES INSUFFICIENT TO PROTECT U.S. JOBS
Congressional Solution Needed to Create Sound Policy

ARLINGTON, VA (February 23, 2010) – Yesterday U.S. Environmental Protection Agency (EPA) Administrator Lisa Jackson sent a letter to Senator John Rockefeller (D-WV) and seven other Democratic Senators expressing EPA’s intentions concerning regulation of greenhouse gases (GHGs) from stationary sources under the Clean Air Act. Administrator Jackson’s letter was in response to a February 19 letter from the eight Senate Democrats to Administrator Jackson listing a number of “serious” concerns with the Agency’s plans on stationary sources GHG regulation. The letter was signed by Senators Rockefeller (WV), Begich (AK), Brown (OH), Levin (MI), Casey (PA), Byrd (WV), McCaskill (MO), and Baucus (MT).

The American Chemistry Council (ACC) issued the following statement:

“We believe Administrator Jackson’s response to the Senators’ letter is incomplete and unacceptable. It does not address the significant concerns that have been raised by Members of Congress and the business community about the impact of the regulations on investment in new facilities, business expansion, and job creation. Regulation of GHGs from stationary sources goes to the heart of our economic recovery and America’s competitiveness, yet EPA’s proposal fails to provide the protection needed. It’s clear that Congress should step in immediately to postpone EPA’s proposed regulation of stationary sources, and take time to develop an effective solution that specifies clear and achievable objectives for greenhouse gas emissions reductions.

“We applaud Senator Rockefeller and his colleagues for raising important concerns about EPA’s planned regulation of greenhouse gases (GHGs) from stationary sources under the Clean Air Act. Premature, arbitrary EPA regulation of stationary sources will jeopardize economic recovery and investments in energy-efficient technology, especially the jobs created and maintained by those investments. Moreover, EPA regulation of these sources will make it more difficult for Congress to move forward on a reasonable climate policy.

“In their letter to Administrator Jackson, the Senators suggested that ‘ill-timed or imprudent regulation of GHGs may squander critical opportunities for our nation, impeding the investment necessary to create jobs and position our nation to develop and produce its own clean energy.’ We couldn’t agree more. American chemistry is among the many U.S. industries where premature stationary source regulations will delay, curtail or cancel investments. EPA’s response makes clear the Agency’s intention to expand stationary source permit requirements to
many small sources – and glosses over the fact that the state agencies that will implement the requirements do not have the resources to implement the program.

“EPA regulation of greenhouse gas emissions at stationary sources could also cause utility ‘fuel switching’ to natural gas – a vital fuel and feedstock for American chemistry. In the absence of ‘Best Available Control Technology (BACT)’ standards for controlling GHG emissions from stationary sources, EPA may define natural gas as BACT for construction or major modification of facilities. The effect of the EPA regulation would be to mandate fuel switching that in turn will raise domestic natural gas costs at a time when our economic situation is imposing considerable challenges on U.S. manufacturing and jobs.”

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