ACC OPPOSES UTILITY-FOCUSED CAP-AND-TRADE PROPOSALS IN U.S. SENATE

ARLINGTON, VA (July 14, 2010) – The U.S. Senate has been discussing a number of options for energy and climate legislation, including the possibility of a cap-and-trade program focused on utilities.

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

“We oppose so-called ‘utility-focused’ cap-and-trade programs, which will in fact have far-reaching impacts on the U.S. economy, especially industries such as chemistry that are energy-intensive and exposed to global trade. Such proposals will raise energy prices, including natural gas feedstock costs, and in turn harm the global competitiveness of America’s chemical industry, stall our economic recovery and stifle job creation. Instead, Congress should focus its attention on passing a comprehensive energy bill that fully develops our domestic energy supplies and ensures U.S. manufacturers can obtain competitively-priced energy.

“Unfortunately, under every version of the proposal discussed to date, utility allowances are insufficient to cover their higher energy costs, which will simply be passed through to industrial energy consumers and other rate payers. Transition assistance is not provided to U.S. manufacturers who will actually bear the burden of the ‘utility’ emissions cap. Another troubling aspect of a utility-focused cap-and-trade program is that it leaves open the possibility of new regulatory requirements developed by EPA outside of a national climate policy. The proposals preempt EPA regulation of utilities, while allowing the regulation of ‘uncapped’ industrial and commercial sources.

“Senator Sherrod Brown (D-Ohio) and several of his colleagues are developing approaches intended to protect U.S. manufacturing competitiveness while creating incentives for energy efficiency and clean energy technology investment. As Congress develops a comprehensive energy bill, Senators should consider the impact on U.S. manufacturers and reject a utility-focused cap-and-trade system.”

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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 $674 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.