

EHCMA STATEMENT ON GHG

- Mr. Chairman, our local U.S. Congressmen Gene Green and Pete Olson, and other distinguished U.S. Congressmen, welcome to Houston on this beautiful spring day and thank you for coming to hear from constituents regarding the important issue of climate change and greenhouse gas emissions. As you know, Houston is the global leader in energy and nearly 50% of all petro-chemicals in the US. As you sit here in the shadow of refineries and chemical plants, rest assured you are in a U.S. Environmental Protection Agency Clean Air Act **compliant** area where our skies are bluer and air cleaner than in the past. The credit for cleaner air that meets EPA standards is due in big part to the efforts of the petrochemical industry working closely with the Texas Commission on Environmental Quality which has put into place stringent regulatory programs to achieve clean air, with the delegated authority of EPA.
- My name is Jim Griffin and I am the Chair of the East Harris County Manufacturers' Association, known as EHCMA. I am a plant manager with 30 years experience in the chemical industry. I speak to you today in my capacity as the EHCMA Chair.
- EHCMA is an organization of 120 manufacturing facilities, all located in East Harris County. Our member companies are chemical plants and refineries. We provide 300,000 jobs in the Greater Houston area. These are good, high-paying jobs requiring engineers, scientists, and skilled labor. Our member companies produce goods that are essential to daily life, ranging from plastics for healthcare equipment, chemicals for pharmaceuticals, the fuel and gasoline that powered the jet or car that brought you here, as well as the plastics that make that jet and car lighter, more energy-efficient and less intrusive on our environment.

- We support regulations that are based on sound science and result in more healthful air quality for our region. We have invested billions of dollars toward meeting regulations that reduced ozone emissions in the greater Houston area, leading to the unprecedented two years running of measured attainment with the U.S. Environmental Protection Agency, EPA's air quality standard for ozone. We are very proud of this accomplishment demonstrated by 2009 and 2010 air monitoring results.
- Our accomplishments toward clean air have resulted from a balance of emissions reductions and good jobs.
- Yet, when it comes to greenhouse gases, we believe that EPA is heading completely in the wrong direction.
- EHCMA members fully expect that implementing greenhouse gas regulations as planned and designed by our U.S. Environmental Protection Agency will result in closure of manufacturing facilities in the United States and in Texas. We already have a struggling economy, and this will do further harm.
- **EHCMA fully supports action by Congress to strip EPA of any authority to regulate greenhouse gases.**
- The existing Clean Air Act is not a suitable tool for regulating greenhouse gases, which act differently in the environment than priority pollutants identified in the Clean Air Act. The existing regulatory frameworks based on far lower quantities of emissions simply do not adapt well to greenhouse gases.
- Overly burdensome and uncertain U.S. regulation which drive US industry to developing countries with less or no regulation will likely result in an increase in GHG emissions.
- When Congress adopted the Clean Air Act in the 1970s and amended it in 1990, they never contemplated using it to regulate greenhouse gases. Setting sweeping and significant new policies such as those needed to regulate greenhouse gases is best

addressed by elected officials in Congress through open and transparent debate.

- Furthermore, EPA's greenhouse gas regulations require a convoluted regulatory path that is neither appropriate nor supported by EPA's authority. In order to move the program into place so quickly, EPA required individual States to develop State Implementation Plans in a fraction of the time required for developing such plans. Furthermore, in the case of Texas, EPA had to retract part of its approval for air permitting plans granted to Texas many years ago on the basis that it was approved in error because it did not address greenhouse gases. Yet, at the time of EPA's original approval, no one contemplated addressing greenhouse gases in this manner. So, how could the State have known to include it at that time? It would have been impossible.
- The net result of EPA's convoluted plan for approving greenhouse gas permits in Texas will be to delay permitting for facilities for an untenable period of time, possibly as much as 12 to 18 months for any individual facility seeking an air permit. To meet market changes and remain competitive in a global economy, US companies must be able to obtain air permits in a reasonable and predictable amount of time. Yet, in a recent meeting with EPA staff regarding the implementation of their greenhouse gas permitting program in Texas, the most senior officials of EPA Region VI, headquartered in Dallas, were unable to answer many questions that must be resolved with a clear plan in order to issue the first Texas greenhouse gas permit.
- While many believe that delaying the effective date of EPA's regulations for permitting greenhouse gases by two years may allow individual States to take over the program, EHCMA does not support this solution which merely moves the problem two years out rather than addressing it fully.
- EHCMA urges members of the U.S. Congress to work toward Congressional legislation that fully strips EPA of any authority to

regulate greenhouse gases unless and until Congress adopts new legislation, structuring the policies and granting the authority to EPA.

- Prudent regulations must not only be based on sound science, but must also recognize the balance needed between clean air and a strong economy. Texas has proven we can do both. We must have a predictable system that allows our member companies to compete globally. Mr. Chairman, in my plant manager role, I work for a global company headquartered in Japan. I know first-hand that investment decisions are made on a global basis and that overly burdensome and uncertain U.S. regulation restricts my ability to secure investment to renovate and expand my plant facilities.

Again, thank you for allowing the East Harris County Manufacturers Association to address the esteemed House Energy and Commerce Committee. We appreciate you being in Houston.