

AMERICANS FOR PROSPERITY®

September 30, 2011

Dear Representative Sullivan,

On behalf of more than 1.8 million Americans for Prosperity activists in all 50 states, I write to applaud your introduction of the Cement Sector Regulatory Relief Act, H.R. 2681. Your bill requires the EPA to reconsider onerous new regulations that impact the nation's cement producers – rules that would destroy American jobs and hamper economic recovery.

In recent months the EPA has been moving forward with three inter-related rules to reduce emissions from industrial cement kilns. The rules require producers of “Portland” cement – the most common kind, used as a key component in concrete and mortar – to invest in expensive new equipment to comply with the new standards. Regulators have already delayed one of these rules, but they continue to forge ahead on the other two.

While the EPA claims the rule will improve public health, any benefits come with hefty price tag. Predictably, much of the pain will be borne by the cement industry directly. The nation's 100 cement plants currently support 15,000 well-paying jobs, but industry estimates predict the new rules would wipe out 22 plants and as many as 4,000 jobs, a quarter of domestic capacity. Compliance costs over four years will total \$5.4 billion, taking an enormous chunk out of the bottom line for an industry that generates just \$6.5 billion in revenues each year.

However, cement manufacturers aren't the only ones that will suffer. Plant closings would magnify the economic stress on the communities surrounding them, leading to indirect job-loss effects. Given cement's vital role in infrastructure and construction projects, the costs will ripple throughout our economy. The EPA admits the rules would cause cement prices to jump by an estimated 5.4 percent. Higher material costs would destroy 12,000 to 19,000 construction jobs.

Just like we rely on foreign oil imports because of overly restrictive domestic regulation, we would likewise have to rely more on foreign imports for key construction materials – importing cement from countries that pollute heavily because they have few environmental protections. And as the Portland Cement Association President Aris Papadopoulos explains, given that cement is more cumbersome to import than oil, “shortages and price volatility will become more common.”

For the last few weeks the President has lecturing that the government needs to help “put people to work rebuilding America” – destroying jobs and hiking up construction costs through poorly-contrived regulation is no way to start. Your bill provides relief from these rules: giving EPA fifteen months to re-propose and finalize more prudent standards, extending compliance deadlines to give cement plants adequate time to adapt once the rules do take effect, and ensuring that EPA chooses the “least burdensome” and most economical regulatory alternative.

Americans for Prosperity is proud to support the Cement Sector Regulatory Relief Act, H.R. 2681. I urge your colleagues to support its passage, and I look forward to working with you in the future.

Sincerely,



James Valvo
Director of Government Affairs
Americans for Prosperity

Americans for Prosperity (AFP) is a nationwide organization of citizen-leaders committed to advancing every individual's right to economic freedom and opportunity. AFP believes reducing the size and intrusiveness of government is the best way to promote individual productivity and prosperity for all Americans. AFP educates and engages citizens to support restraining state and federal government growth and returning government to its constitutional limits. AFP is more than 1.8 million activists strong, with activists in all 50 states. AFP has 33 state chapters and affiliates. More than 85,000 Americans in all 50 states have made a financial contribution to AFP or AFP Foundation. For more information, visit www.americansforprosperity.org Americans for Prosperity does not support or oppose candidates for public office.

###