

September 14, 2010

The Honorable Daniel Inouye
Chairman
Senate Appropriations Committee
S-128 U.S. Capitol
Washington, DC 20510

The Honorable Thad Cochran
Vice Chairman
Senate Appropriations Committee
S-128 U.S. Capitol
Washington, DC 20510

Dear Chairman Inouye and Vice Chairman Cochran:

Unless Congress acts this Fall new Environmental Protection Agency (EPA) rules regulating greenhouse gas (GHG) emissions under the Clean Air Act will go into effect on January 2, 2011. The rules impose a significant burden across the U.S. economy, including the sectors that will create jobs and lead us in our economic recovery. It is Congress' prerogative to enact a national climate policy, not the EPA's. Fortunately, there are opportunities for Congress to exercise its prerogative prior to the end of the legislative session.

We urge your strong support for measures to temporarily restrict EPA's authority to implement the GHG rules affecting stationary sources, and to give Congress the time necessary to consider the appropriate regulatory approach for those sources.

According to EPA, as many as six million of America's industrial facilities, power plants, hospitals, agricultural and commercial establishments eventually will be subject to these rules, at a considerable cost and burden on jobs, state resources and the ability to move forward on a national climate policy. State implementing agencies have no guidance on issuing the required permits, the measures needed to comply are not known, and both state implementing agencies and covered commercial facilities will be left in a bind. There is the very real prospect that investments by businesses across the entire economy – the investments that will drive economic recovery and job creation – will be delayed, curtailed or, even worse, cancelled.

The appropriations process can ensure that the potentially damaging impacts of EPA's rules are postponed for a two or three year period pending Congressional action. Indeed, the approach would allow any restrictions on funding in a manner that still allows EPA's rules on motor vehicles to continue in effect unchanged. More importantly, the appropriations process provides Congress an important oversight and management tool that will inform the further development of a national climate policy. Other approaches, such as a codification of EPA's "tailoring" rule to ease the potential burden on smaller businesses have been suggested. Unfortunately, the vast majority of American businesses affected by the GHG rules will not be protected by a simple codification of EPA's rules.

Representatives Nick Rahall and Rick Boucher and Senator Jay Rockefeller have introduced legislation (the Stationary Source Regulations Delay Act, H.R. 4753 and S. 3072, respectively) to place a two year moratorium on the EPA's actions to regulate GHGs from stationary sources.

Senator Rockefeller has received a commitment from Majority Leader Harry Reid to hold a vote on his bill in September. We support the concept of a two-year postponement and urge your strong support as an appropriate legislative measure is developed and considered. Simply, a two-year moratorium will prevent the negative economic impacts anticipated from the EPA GHG rule.

In short, American businesses, investment, and jobs need your active support. We urge you to support efforts to postpone EPA regulation of GHG emissions from **all stationary sources** through targeted amendments to relevant appropriations measures or legislation based on the Rahall/Boucher or Rockefeller bills.

Sincerely,

American Chemistry Council
American Farm Bureau Federation
American Forest & Paper Association
American Frozen Food Institute
American Petroleum Institute
American Iron and Steel Institute
Ball Clay Producers Association
CropLife America
International Diatomite Producers Association
Industrial Minerals Association – North America
Missouri Forest Products Association
National Association of Chemical Distributors
National Association of Manufacturers
National Association of Oilseed Processors
National Association of Wholesaler-Distributors
National Industrial Sand Association
National Lime Association
National Mining Association
National Petrochemical & Refiners Association
Society of Chemical Manufacturers and Affiliates
The Aluminum Association
The Fertilizer Institute
Treated Wood Council
U.S. Chamber of Commerce

cc: Senate Appropriations Committee