

Opening Statement of the Honorable Ed Whitfield
Subcommittee on Energy and Power
Hearing on H.R. __, the “Promoting New Manufacturing Act”
May 28, 2014

(As Prepared for Delivery)

Today, this Subcommittee begins its markup of the “Promoting New Manufacturing Act.” This discussion draft is one in a series of measures to reduce the red tape that is blocking many job-creating projects, be they coal-fired power plants, the Keystone XL pipeline and other energy infrastructure projects, LNG export terminals, and today, manufacturing facilities. I would like to thank the Vice Chairman of this Subcommittee, Steve Scalise, for his work on this important effort to strengthen the American manufacturing sector and create new jobs. The bill will be introduced soon and I urge all of my colleagues to support it.

Domestic manufacturing has gotten a significant boost from the shale gas revolution and the plentiful and affordable supplies of natural gas and natural gas liquids that we now have. Additionally, a large part of our domestic manufacturing is attributed to the vast coal reserves here in the U.S. that help to provide low cost, reliable electricity. We learned last week that the chemicals industry alone has proposed 177 new projects. But for this potential to be realized, these facilities must meet with EPA’s approval, including preconstruction permits under the Clean Air Act, which are primarily issued by the states under EPA oversight.

However, in recent years, getting such permits in a timely manner has become much more difficult. In particular, EPA has established or revised a number of new National Ambient Air Quality Standards (NAAQS). These standards become effective immediately, but the agency often waits months or even years before finalizing the implementing regulations and guidance regarding how to comply with the new standards. This leaves regulated companies as well as states in the dark – permit applicants must demonstrate that they will meet the standards, but they don’t have all the information on how to do so. As a result, many proposed manufacturing projects are in a state of regulatory limbo – some might even call it a de facto moratorium – which is the last thing our struggling economy needs.

And we know that windows of opportunity do not stay open forever. Projects delayed can be projects denied, especially in a globally competitive economy where similar facilities can be built abroad where they face less stringent regulations. Our energy advantage may get negated by our regulatory disadvantage. If this happens, America would not only lose out on the jobs, but the environment would suffer as well.

I appreciate that President Obama identified the problem of excessive red tape for natural gas-using factories in his State of the Union address, and I take him at his pledge to do something about it. Today, we have a bill that addresses the President’s concerns.

In particular, the Promoting New Manufacturing Act requires that the implementing regulations and guidance be published concurrently with a new or revised NAAQS, so that regulated entities seeking permits can comply in an expeditious manner. To me, that seems like a win for the economy and the environment.

I should reiterate that this discussion draft does not change the substantive requirements for manufacturing facilities under the Clean Air Act. Newly-constructed American factories will still need to install the most modern, efficient and clean technologies available. This bill just seeks to ensure that the permitting process will be timely and that permit applicants will not face unnecessary delays that may derail these projects entirely.

The bill also contains useful transparency provisions. It would make publicly available more EPA information about the number of permits issued and how long they took, as well as information about the

timing of reviews by EPA's Environmental Appeals Board. It also requires an EPA report to Congress on steps it is taking to expedite the permitting process.

There is an old saying that when good news comes knocking, you should open the door. Today, we have a great opportunity to revitalize America's manufacturing sector and create hundreds of thousands of jobs, and we can do so while meeting environmental standards that few if any other industrialized nations can match. The Promoting New Manufacturing Act is an important step in the right direction and I urge all of you to support it.

###