- 1 {York Stenographic Services, Inc.}
- 2 RPTS BURDETTE
- 3 HIF149.030
- 4 MARKUP ON H.R. , THE PROMOTING NEW MANUFACTURING ACT
- 5 THURSDAY, MAY 29, 2014
- 6 House of Representatives,
- 7 Subcommittee on Energy and Power
- 8 Committee on Energy & Commerce
- 9 Washington, D.C.

10 The Subcommittee met, pursuant to call, at 10:02 a.m., 11 in Room 2123 Rayburn Building of the Rayburn House Office 12 Building, Hon. John Shimkus [Chairman of the Subcommittee] 13 presiding.

Members present: Representatives Shimkus, Scalise,
Hall, Pitts, Terry, Latta, Cassidy, Olson, McKinley, Gardner,
Kinzinger, Griffith, Barton, Upton (ex officio), McNerney,
Tonko, Yarmuth, Engel, Green, Capps, Barrow, Matsui, Dingell
and Waxman (ex officio).

19 Staff present: Nick Abraham, Legislative Clerk; Gary 20 Andres, Staff Director; Charlotte Baker, Deputy 21 Communications Director; Mike Bloomquist, General Counsel; 22 Sean Bonyun, Communications Director; Matt Bravo, 23 Professional Staff Member; Leighton Brown, Press Assistant; 24 Allison Busbee, Policy Coordinator, Energy & Power; Patrick 25 Currier, Counsel, Energy & Power; Sydne Harwick, Legislative 26 Clerk; Tom Hassenboehler, Chief Counsel, Energy & Power; Brittany Havens, Legislative Clerk; Peter Kielty, Deputy 27 General Counsel; Ben Lieberman, Counsel, Energy & Power; Mary 28 29 Neumayr, Senior Energy Counsel; Chris Sarley, Policy Coordinator, Environment & Economy; Charlotte Savercool, 30 31 Legislative Coordinator; Tom Wilbur, Digital Media Advisor; Jessica Wilkerson, Legislative Clerk; Jeff Baran, Democratic 32 33 Senior Counsel; Jen Berenholz, Democratic Chief Clerk; Stacia 34 Cardille, Democratic Chief Counsel; Alison Cassady, 35 Democratic Senior Professional Staff Member; Caitlin 36 Haberman, Democratic Policy Analyst; Elizabeth Letter, 37 Democratic Press Secretary; Alexandra Teitz, Democratic 38 Senior Counsel, Environment and Energy; and Debbie Letter, 39 Democratic Staff Assistant.

40 H.R.

Mr. {Shimkus.} The committee will come to order. At 41 42 the conclusion of opening statements yesterday, the chair 43 called up the discussion draft Promoting New Manufacturing Act, and the bill was open for amendment at any point. Are 44 45 there any bipartisan amendments to the bill? Seeing none, 46 are there any other amendments? The chair recognizes the 47 gentleman from Texas, Mr. Barton. 48 Mr. {Barton.} Mr. Chairman, I have an amendment at the 49 desk, Barton 01, I think. 50 Mr. {Shimkus.} The Clerk will report. 51 The {Clerk.} Amendment to the discussion draft, the Promoting New Manufacturing Act offered by Mr. Barton of 52 53 Texas. 54 [The amendment of Mr. Barton follows:]

56 Mr. {Barton.} Mr. Chairman, I would ask the amendment57 be considered as read.

58 Mr. {Shimkus.} Without objection and so ordered. And 59 we will distribute the amendments, and the gentleman is 60 recognized for 5 minutes to--

Mr. {Barton.} Thank you, Mr. Chairman. I don't think it will take 5 minutes. The bill that has been introduced by Mr. Scalise that we are marking up today was sent to the Environmental Protection Agency for their comments, and they have commented on it. They sent back a number of concerns. So the amendment that I have just introduced is an attempt to address those concerns.

One of the primary issues that the EPA raised relates to the so-called dashboard in the bill. EPA expressed concern that the agency would have to collect significant additional information from state and local authorities in order to provide data for the permitting dashboard.

The amendment before us, Mr. Chairman, would clarify that for the dashboard EPA should provide the agency's estimates of the number and timeliness of permits issued and should base those estimates on information currently in possession of the agency. He would make clear that the

78 agency is not required to seek additional information from 79 state and local agencies.

80 EPA also had a concern that the agency would not seek 81 additional information from states and local permitting 82 authorities in order to prepare the annual report for the Congress that is required under the bill. This amendment 83 84 makes clear that the report should describe actions being taken by the EPA to expedite the permitting process and that 85 there is not a need to collect additional information from 86 87 the state and local permitting agencies beyond what the 88 agencies have already provided voluntarily to the EPA.

89 A final concern is that the EPA had concerning the section of the bill that provides if the agency establishes a 90 91 new National Ambient Air Quality Standard or revises an 92 existing standard, the agency should also publish 93 implementing regulations and guidance at the same time. Μv 94 amendment provides flexibility to EPA by providing that EPA 95 must issue concurrent regulations and guidance, and I guote from the amendment, ``as the Administrator determines 96 97 necessary and appropriate to assist states' permitting 98 authorities and permit applicants.'' This should address 99 concerns that were raised at the hearing last week and by the 100 EPA that the agency would be required to issue regulations or

101 guidance that was not needed.

There are billions of dollars, Mr. Chairman, of 102 investment pending. Manufacturers need to know the rules of 103 104 the road in order to get these facilities permitted. My 105 amendment would ensure that these projects become a reality, but it also protects air quality and the public health. I 106 107 would hope that on a bipartisan basis we could endorse this 108 amendment. And with that, I would yield back, Mr. Chairman. 109 Mr. {Shimkus.} The gentleman yields back. At this 110 time, the chair recognizes -- for what purpose does the 111 gentleman from California rise? 112 Mr. {Waxman.} Strike the last word. 113 Mr. {Shimkus.} The gentleman is recognized for 5 114 minutes. 115 Mr. {Waxman.} This amendment makes some modest 116 improvements to the bill. It is a step in the right 117 direction, and I won't oppose it. Unfortunately, this 118 amendment fails to fix the most significant problem with the 119 bill. The bill still creates a loophole in the Clean Air Act 120 allowing new facilities to emit more pollution and harm 121 public health.

122 I want to discuss two of the changes made by the 123 amendment. As drafted the bill requires EPA to compile 6

124 years of historical data on preconstruction permits issued 125 across the country and calculate how many permits were issued 126 within 1 year. At the subcommittee hearing, the Delaware 127 Secretary of Natural Resources raised concerns about the 128 burden this would place on state and local permitting agencies which would have to collect this information for 129 The amendment before us provides that EPA does not have 130 EPA. 131 to collect data from the states and can just use the data it 132 already has. EPA currently maintains an online database to share information about air pollution control technologies 133 134 used in permitting decisions. State and local permitting 135 agencies report permit information to EPA on a voluntary 136 basis. EPA estimates that the database reflects only about 137 half the permits issued.

138 The new language certainly reduces the burdens on 139 states, and I support the change. That said, with this 140 change, it is not clear that the bill's new permitting 141 database, this bill serves any purpose at all. The new database will use the information from the existing database 142 143 to calculate statistics about permitting times, but these 144 statistics won't be valid because it would be based on a 145 partial and non-representative sample of permits. In fact, the database is likely to systematically overstate permitting 146

147 times. That is because states are most likely to report the 148 most significant permits which are often more complex and 149 time-consuming.

Now, why would we require EPA to report information that is almost certainly misleading? This is a waste of evershrinking EPA resources.

The amendment makes another change. As drafted, the 153 154 bill requires EPA to issue implementation rules and guidance 155 at the same time it revises air quality standards. The 156 amendment qualifies this by providing that EPA shall issue 157 rules and guidance concurrently but only ``as the Administrator determines necessary and appropriate to assist 158 159 states' permitting authorities and permit applicants.'' 160 So on the one hand, the amendment provides a helpful 161 change. EPA's technical assistance and witnesses at the subcommittee hearing pointed out that it isn't always 162 163 necessary or advisable to issue guidance and rules 164 concurrently with a new air quality standard. The amendment gives EPA some discretion to determine when such rules and 165 quidance are appropriate. 166

167 But the amendment leaves Subsection 3(b) of the bill 168 intact. Subsection 3(b) states that if EPA fails to publish 169 final regulations and guidance concurrently with a new air

170 quality standard, then new facilities can receive

171 preconstruction permits under the old air quality standard 172 rather than the new one. They have amnesty from the new science-based health standard. This makes no sense. 173 The 174 amended bill would recognize that concurrent rules and guidance aren't always appropriate, but it would still block 175 176 a new air quality standard from applying to permits unless 177 and until EPA issues such rules and guidance. If EPA wants a 178 standard that protects public health to go into effect, the agency really doesn't have a choice at all about issuing the 179 180 rules and guidance. Worse, facilities can get out of meeting 181 the new standard by claiming EPA's guidance is insufficient, 182 and this is still a big and harmful loophole.

Again, I won't oppose this amendment, but it fails to address my core concerns with the bill. I yield back my time.

186 Mr. {Shimkus.} The gentleman yields back his time. Is 187 anyone else seeking time on this amendment? Seeing none, a 188 vote will be called on the amendment offered by the gentleman 189 from Texas, Mr. Barton.

190 All those in favor, say aye.

191 Those opposed, no.

192 The ayes have it. The ayes have it. The amendment is

193 agreed to.

194 For what purpose does the gentleman from California seek 195 recognition? Mr. {Waxman.} Mr. Chairman, I have an amendment at the 196 197 desk. It is Waxman 02. 198 Mr. {Shimkus.} The Clerk will report the amendment. The {Clerk.} Amendment to the discussion draft offered 199 by Mr. Waxman of California. 200 201 [The amendment of Mr. Waxman follows:]

203 Mr. {Shimkus.} The gentleman is recognized for 5
204 minutes in support of his amendment.

205 Mr. {Waxman.} Mr. Chairman, this is a simple, targeted 206 amendment that strikes Subsection 3(b) of the bill.

207 Subsection 3(b) bars a new National Ambient Air Quality from 208 being applied to a preconstruction permit until EPA publishes 209 final regulations and guidance for implementing the new air 210 quality standard. This goes to the very heart of our 211 objections to the bill.

212 My amendment won't fix all of the problems with this 213 bill, but it will address my greatest concern that the bill 214 allows more dangerous air pollution to be admitted.

Under this bill, if EPA does not issue rules and guidance governing implementation at the same time as it finalizes a new air quality standard, polluters would receive permits based on the old air quality standard that is inadequate to protect public health. In effect, it provides new polluters amnesty from new air quality standards.

The majority has offered an amendment that addresses some of these concerns about the bill raised at the hearing. Unfortunately, the amendment we just adopted does not change this amnesty provision. Under the amended bill, the EPA

225 would have discretion as to whether or not to issue rules and quidance at the same time as it issued a new air quality 226 227 standard. But if EPA chose not to issue that guidance, the 228 old standard would apply for permitting purposes. In fact, 229 if EPA decided that existing implementation regulations were sufficient for the new air quality standard, under this bill 230 231 the new sources would never have to meet the new standard for 232 emitting purposes. This is both nonsensical and harmful.

233 At the legislative hearing on this bill we heard from Collin O'Mara, Secretary of Natural Resources for the State 234 235 of Delaware. Secretary O'Mara stated that this provision ``would likely cause substantial adverse health impacts by 236 237 exempting sources from complying with health-based airquality standards.'' Well, in short, this amnesty provision 238 239 would allow new sources to pollute more air more, and air 240 quality and public health would suffer. This provision would 241 have other troubling effects as well. In an area that 242 doesn't meet the air quality standards, if one source emits more pollution, other sources will eventually have to pick up 243 the slack and control more. So by granting amnesty to new 244 245 sources, the bill shifts pollution control responsibility and 246 costs to existing sources. This shift will raise pollution 247 control costs overall as the Clean Air Act has long

248 recognized it is generally far more efficient and cost

249 effective to build pollution controls into a facility up

250 front rather than adding them later. But this provision does 251 the opposite.

252 It is also unclear what EPA would have to do to avoid triggering the amnesty provision. The bill does not explain 253 254 what kind of implementation rules and quidance are required 255 or what would be sufficient to satisfy the requirement. EPA could issue a rule and someone could challenge it as 256 257 inadequate. Depending on state actions during the litigation 258 and the outcome of the litigation, final permits issued in 259 the interim might be invalid or subject to further legal challenges. This uncertainty and confusion will only further 260 complicate and delay permitting efforts. 261

The amnesty provision in Section 3(b) harms public health, threatens existing industrial facilities, adds regulatory uncertainty and likely delays permitting. That is a lose/lose proposition all around.

So I urge my colleagues to support this amendment to delete the amnesty provision. And since I have a little bit more time, let me talk about this in more general terms.
We have air quality standards that are set by EPA.
These standards are based on what the health--to protect

271 public health. And we learn more, and therefore these 272 standards are made more perfected by virtue of the knowledge that we have, the science as we later determine it. Well, if 273 274 we allow a new source to come in that pollutes more than 275 would be permitted for them to go into operation, then we are going to have an area that is going to be exceeding the 276 277 health quality standards. And so they are going to have to 278 look for ways to reduce that extra pollution. 279 Well, if they are not going to reduce the pollution from a new source, they are going to have to go to existing 280 281 sources. Wait until you hear from the businesses that are going to be affected. They did the best they could, and if 282 we impose upon them the extra burden, they are going to have 283 to spend a lot more money to accomplish it. And it just 284 285 doesn't make sense. It is contrary to the way the Clean Air 286 Act has always worked. So I urge support for the amendment. 287 Mr. {Shimkus.} The gentleman's time expired. Who seeks 288 recognition? Mr. {Scalise.} Mr. Chairman? 289 290 Mr. {Shimkus.} For what purpose does the gentleman from 291 Louisiana rise? Mr. {Scalise.} Move to strike the last word. 292 293 Mr. {Shimkus.} The gentleman is recognized for 5

294 minutes.

Mr. {Scalise.} And of course object to the amendment, but I want to point out first of all that there is no amnesty in the bill. In fact, existing law and the existing standards would already have to be complied with. If you will look at the section that my friend from California is trying to strike, he is trying to gut the bill and take away the accountability.

302 All we are doing is telling the EPA if they have got 303 some new proposal, if they want to implement a new standard, 304 they have got to give the guidance to go along with it. 305 Because what we have seen from the EPA too often is using, 306 under the guise of a new standard, it is really just an attempt in a de facto way to deny permits to people. In 307 308 fact, a lot of these manufacturers are going to be not only 309 creating jobs in manufacturing products in America but they 310 are going to be doing it with the best environmental 311 technologies that are available in the world. Because if 312 they don't do it here, they are going to be going to other countries. In fact, many are going to other countries 313 314 because of the EPA's attack on American manufacturing, and 315 they are going to countries where they don't have the level of standards that we enjoy today, which are very high 316

317 standards.

318 And I will point out to the gentleman from California--I know he is concerned about the EPA's meager existence. They 319 320 are barely scraping by to make ends meet. They have got 321 nearly 17,000 employees at the EPA, nearly 17,000 employees. 322 And yet they can't give basic guidance. If they are going to 323 come out with a new standard, they ought to be able to back 324 it up with the science, with the data, to tell people how to 325 comply.

326 Now, if they don't want to put out a standard that 327 people can comply with, which, by the way, they have actually 328 done a number of times, that is not their role. Their mission is not to shut people down and deny jobs in America. 329 If their job really is focused on trying to increase air 330 331 standards and they have got great science to show whose 332 standards are going to help do that, then put the data out 333 there. Give the guidance.

We had testimony last week at our hearing on this. In fact, one of our witnesses was a permitting engineer. He testified, what I would like to know is what do you want me to do to make the demonstration, and right now in a lot of cases that guidance doesn't exist, close quote. Mr. Barton's amendment gives the Administrator some greater flexibility to

340 work with the states. So that has already been put into the 341 bill. In fact, Dr. Cassidy has got another amendment that is going to be coming up shortly that clarifies that a new 342 343 facility must install the best available control technology. 344 So at some point in time, if businesses are going to 345 have all these requirements dumped on top of them, there is a 346 responsibility that the agency has with some real disclosure 347 that they have got to show people how they can implement it. Because if it is not implementable, then clearly it goes to 348 349 prove the point that we hear too often is that EPA is just 350 trying to put standards out there that they know are not 351 achievable because they just want to deny people permits. If 352 they have got a standard that they really think is going to 353 help improve quality, then put the data out there, be 354 transparent about it, and give the basic guidance. Just give 355 the basic guidance when you put out the standard. That is 356 not asking too much of their nearly 17,000 employees, and you 357 know, maybe if they don't have the time, maybe they got to get more efficient about what they do in their regular job 358 359 instead of trying to put people out of business. They ought 360 to be figuring out how to actually do the things that they are actually out there telling. 361

362 If they want to increase air quality, then back it up

363 with the science. Be transparent about it, and give the 364 proper guidance to show that it can be done. And if they can't, then clearly the proposal is not serious, and it 365 366 shouldn't be brought forward in the first place because it is 367 not about increasing air quality. It is about running jobs out of this country, and that is not what the role of a 368 369 federal agency should be, especially the EPA which has such a 370 horrible track record in this area.

371 So with that, I object to the amendment. I want to have 372 the higher standards that we put in our bill with the 373 increased transparency that actually makes the EPA back up 374 the things that they are proposing with real guidance. With 375 that, I yield back the balance of my time.

376 Mr. {Shimkus.} The gentleman yields back his time.377 Anyone else seeking--the gentleman from New York is

378 recognized for 5 minutes.

379 Mr. {Tonko.} Thank you, Mr. Chair, and move to strike 380 the last word.

381 Mr. {Shimkus.} The gentleman is recognized.

382 Mr. {Tonko.} I support my colleague's amendment. If 383 experience has taught us anything over the past two decades 384 it is that the Clean Air Act has been a success. New 385 businesses have started, the economy has grown and the air is

386 cleaner and healthier for all of us. The adjustments to the 387 National Ambient Air Quality Standards that EPA institutes are supported by a large body of research on the impacts of 388 389 air pollutants, on human health and on the environment. 390 The proposed legislation assumes we cannot continue that record of success. The bill also sets up a new process that 391 392 may benefit a new project but that benefit comes at the 393 expense of existing businesses and activities. States 394 develop comprehensive implementation plans. Remember, the states approve these permits. Those plans take account of 395 396 all possible pollution sources and balance the need of all 397 stakeholders in the effort to achieve cleaner air.

398 Section 3(b) of the bill would allow a new facility to 399 operate under less strict air quality standards than existing 400 facilities if EPA has not issued all final regulations and 401 guidance required for any type of facility that would be 402 covered by a newly established standard.

It seems to me that we move some flexibility. Guidance is useful for the regulated community. As new situations are encountered, the agency can work with an applicant to find the most appropriate and cost-effective means for moving their project forward under the law. It seems to me that we want to simplify the regulatory process not complicate it.

409	We should ensure that regulations are implemented fairly and
410	consistently, and we should facilitate and encourage the
411	agency to work with regulated entities. If the agency would
412	call a standard into question by issuing guidance at a time
413	after a regulation is finalized, why would the agency ever do
414	that? I think this is going to result in greater confusion,
415	more legal challenges and certainly a less flexible
416	regulatory process.
417	I don't see how the lack of guidance helps an applicant
418	to comply with the law and move forward with its project.
419	Our Ranking Member is offering an amendment to improve this
420	bill, and I hope it would be accepted.
421	I have some time remaining ifis it okay? With that, I
422	yield back.
423	Mr. {Shimkus.} The gentleman yields back his time.
424	Anyone else seeking time in support or in opposition of this
425	amendment? The gentleman recognizes the lady from
426	California.
427	Ms. {Matsui.} Thank you. Thank you very much and
428	Mr. {Shimkus.} For 5 minutes.
429	Ms. {Matsui.}I move to strike the last word.
430	Mr. {Shimkus.} The lady is recognized.
431	Ms. {Matsui.} Thank you. I support my colleague's

432 amendment. This bill is based on a false premise. The bill 433 assumes that weakening the Clean Air Act will push EPA and 434 state and local agencies to issue preconstruction permits 435 faster. That is a baseless assumption and one that gives 436 serious implications for public health.

Under current law, a company wanting to build a new 437 438 facility or expand an existing one must obtain a 439 preconstruction permit. The goal of the permitting process 440 is simple, to ensure that the facility will not significantly 441 increase air pollution above levels that are safe to breathe. 442 The bill creates a new loophole in the law that could 443 undermine this simple goal. If EPA issues a new or revised 444 National Ambient Air Quality Standard, the bill provides that 445 the new standard doesn't apply for permitting unless and 446 until EPA has issued implementation rules and guidance for 447 the new standard.

I appreciate Mr. Barton's amendment to give EPA more discretion as to whether to issue implementation rules and guidance concurrently with new air quality standard. But this isn't a real choice. Unless and until EPA issues the rules and guidance, the bill allows new sources to violate the new air quality standard but still receive preconstruction permits. The result will be harmful levels

455 of pollution.

Delaware Secretary of Natural Resources testified that concurrent guidance isn't always practical or necessary. EPA told the committee the same, that most guidance evolves after the standard takes effect as states and industry raise questions that require EPA guidance. It is unclear how EPA could provide guidance on solving problems before those problems even arise.

The bill sets EPA up to fail. On the one hand, EPA could hurry to issue guidance before hearing concerns from states and industry, but then that guidance will be incomplete. An industry group that wants delay of limitation of the new air quality standard need only file a lawsuit saying that EPA's guidance wasn't sufficient.

469 On the other hand, EPA could wait to issue more robust 470 and helpful guidance. But in the meantime, facilities would 471 be able to obtain permits under the old air quality standard. 472 A company could build a facility that is allowed to pollute 473 more than it would under current law. That is an opportunity 474 for even more lawsuits and delay.

475 Downwind communities likely would not be pleased to
476 learn that a facility is being allowed to pollute more.
477 Nearby facilities likely would not be pleased to learn that

478 they may have to cut their emissions more in order to make up 479 for new facilities' extra pollution.

All said, this bill amounts to more litigation, more confusion and more pollution. I do not see how any of it amounts to faster permitting. Mr. Waxman's amendment would strike the language in the bill that exempts facilities from complying with newly issued or revised air quality standards. I urge my colleagues to support this amendment.

486 In closing, I want to note what this bill does not do. It does not provide one penny more to EPA or the state and 487 488 local permitting agencies to hire more staff to review and 489 process permits. That is what these agencies need. They 490 don't need more loopholes. They don't need more lectures 491 about so-called red tape. They need more funding. These 492 agencies have seen their budgets cut over and over again in 493 recent years. I do not understand how my colleagues on the 494 other side expect EPA and the state and local permitting 495 agencies to do more work more quickly with fewer resources. It is just not realistic. 496

497 Mr. {Waxman.} Will the gentlelady yield?

498 Ms. {Matsui.} Yes, I will yield to the Ranking Member.
499 Mr. {Waxman.} Thank you. I just want to very briefly
500 rebut the statement made by our colleague from Louisiana.

501 The EPA sets the standards. The EPA may offer some guidance 502 how to meet those standards. But the EPA does not give the 503 permits. The permits are issued at the state level, and if 504 EPA sets a standard and has not provided the guidance, that 505 doesn't stop the permits from being granted. They still may 506 be granted by the states.

507 The problem with this bill is that if they set a 508 standard more protective of public health and we then say 509 that the new permit applicant doesn't have to do what is 510 necessary to meet the new standard but rely on the old 511 standard, that means they are going to pollute more than they 512 otherwise would. And what this legislation would accomplish is to allow them to try to hook onto the old standard and 513 514 continue to pollute more than would be necessary with a new air quality standard. So we are trying to correct this 515 516 problem. Thank you for yielding.

517 Mr. {Shimkus.} The gentlelady's time expired. Anyone 518 else seek recognition? I will recognize myself for just a 519 few minutes.

520 This debate is about trying to marry up the rule with 521 the guidance sooner so that there is less uncertainty in 522 those people who have to comply. Where the ranking member is 523 correct on the permitting, the question is on how do you

524	model that and where are the guidelines by the EPA for the
525	states to develop a modeling which they can comply with?
526	And you know, ozone is a perfect example. A rule came
527	out 2008, the regulationI mean the guidance came out 5
528	years later? There is tremendous uncertainty, and now we may
529	be going to a new ozone standard just down the path.
530	So this tries to createthis is more of a process
531	debate than anything, and I respectfully ask a no vote on the
532	Waxman amendment in support of my colleague, Mr. Scalise, and
533	I yield back my time.
534	Anyone else seeking time? If not the vote will occur on
535	the Waxman amendment.
536	All those in favor, say aye.
537	Those opposed, no.
538	In the opinion of the chair, the nos have it. The nos
539	have it. The amendment is not agreed to.
540	Is there anyone else seekingthe chair recognizes the
541	gentleman from Louisiana, Dr. Cassidy.
542	Dr. {Cassidy.} I have an amendment at the desk.
543	Mr. {Shimkus.} The Clerk will report the amendment.
544	The {Clerk.} Amendment to the discussion draft offered
545	by Mr. Cassidy of Louisiana.
546	[The amendment of Dr. Cassidy follows:]

548 Mr. {Shimkus.} And Dr. Cassidy is recognized for 5 549 minutes in support of his amendment.

550 Dr. {Cassidy.} Yeah, the purpose of this bill is to cut 551 red tape and ensure modern manufacturing facilities can be 552 built in the United States.

553 We heard testimony last week. There is an estimated 554 \$112 billion in new manufacturing projects related to abundant natural gas supplies that have been announced. 555 In 556 fact, just to give context, the Wall Street Journal noted 557 yesterday Louisiana is becoming the Qatar on the Bayou. 558 Companies are building fertilizer plants, large liquification facilities, methanol terminals, polymer plants, ammonia 559 factories and paper-finishing facilities, 66 industrial 560 561 projects announced worth some \$90 billion breaking ground 562 over the next 5 years translate into tens of thousands of 563 jobs for Americans who are currently struggling.

Now, we have also heard, however, about the challenges manufacturers face in obtaining necessary preconstruction permits under the Clean Air Act. There was testimony about how permitting delays can derail projects and how it can take more than a year or potentially years to get a decision on an application.

Now, one of the major challenges that manufacturers face is that regulatory requirements can change while a permit application is pending, including changes to the National Ambient Air Quality Standards and the new standards become effective immediately for permitting purposes. At the same time, EPA frequently fails to issue implementing regulations and guidance for months or even years.

577 Under the bill there are common-sense provisions that 578 require that if EPA establishes a new ambient air quality 579 standard or revises an existing standard, EPA should publish 580 implementing regulations and guidance at the same time. The 581 bill would provide that the new standards would not take 582 effect for permitting purposes until the regulations and 583 guidance was issued.

Now, we heard assertations last week at the legislative hearing that requiring EPA to issue timely directions to permit applicants could lead to loopholes or amnesty for permit applicants if EPA was slow in developing its regulations and guidance. The implication was that permit applicants could avoid installing state-of-the-art emissions control equipment.

591 This is not the intent of the bill. My amendment 592 clarifies that under the bill new manufacturing facilities

593 must install the best available emissions control

technologies. In particular, this amendment makes clear 594 595 that, one, nothing in the bill changes the obligation of new facilities in areas that are in attainment with National 596 597 Ambient Air Quality Standards to install the best available control technology to address emissions. Further, number 598 599 two, nothing in the bill changes the obligation of new facilities in areas that are not in attainment with such 600 601 standards to install the lowest available emissions rate 602 technology to improve air quality.

603 My amendment would make explicit that nothing in the 604 bill eliminates the requirement that new manufacturing facilities install the best available emissions control 605 equipment. We want modern, new, clean manufacturing 606 607 facilities to be built in this country. This bill is 608 intended to make sure that this happens, even as air quality 609 and public health is fully protected. I urge support of my amendment. I yield back. 610

611 Mr. {Shimkus.} The gentleman yields back his time.612 Anyone--the gentleman from Kentucky.

613 Mr. {Yarmuth.} I move to strike the last word.
614 Mr. {Shimkus.} The gentleman is recognized for 5
615 minutes.

616 Mr. {Yarmuth.} Thank you, Mr. Chairman. This amendment is not objectionable, but it doesn't actually fix the bill's 617 618 core problems. Section 3(b) of the bill gives new sources 619 amnesty from compliance with the new or revised air quality 620 standard until EPA issues rules and guidance on implementation of the air quality standard. This amendment 621 622 doesn't affect this requirement in any way. All this 623 amendment does it reiterate that this bill doesn't affect the Clean Air Act requirement for new sources to install some 624 pollution control technology. That is fine as far as it 625 626 goes, but it doesn't address our concerns with Section 3(b). 627 When a company applies for a preconstruction permit to build a new facility or modify an existing one, there are two 628 629 steps. In step one, the company must determine which pollution controls it will install to reduce the facility's 630 631 emissions. The bill does not appear to affect this 632 obligation to identify effective pollution controls. This 633 amendment reiterates that the obligation remains. In step two, the applicant must estimate how much 634 pollution the new source will emit after installing pollution 635 636 controls and show that it will not cause a violation of the air quality standard. In other words, the applicant must 637

638 model air pollution in the area and show that adding

639 pollution won't make the air unsafe to breathe. If the new facility's emissions will cause a violation of the air 640 quality standard, the applicant must take additional steps to 641 cut its emissions or obtain offsets for the excess pollution. 642 643 The bill interferes with this second step of the process. EPA revises National Ambient Air Quality Standards when 644 645 the science says it is necessary to protect human health. 646 EPA may not make a National Ambient Air Quality Standard more 647 stringent unless it finds that the old standard was not 648 sufficient to protect the public health with an adequate 649 margin of safety. But the discussion draft allows facilities to disregard a new air quality standard. If EPA doesn't 650 651 issue rules and quidance at the same time it issues a new air 652 quality standard, the old air quality standard applies for purposes of a preconstruction permit. This means that when 653 654 the facility is demonstrating whether its emissions will 655 violate the air quality standard, it is using the old, 656 insufficiently protective standard as a benchmark. In practical terms, this will allow some facilities to 657 658 emit extra pollution at levels that could harm public health. 659 Under current law, facilities that would violate the new air quality standard would have been required to take extra steps 660

661 to reduce their emissions and protect local air quality.

662	Unfortunately, this amendment does nothing to close the
663	loophole created by the bill in the second step of the
664	permitting process, and it is during the second step that the
665	facility has to prove that its pollution won't harm public
666	health. I don't object to the amendment as it doesn't make
667	the bill worse, but I urge my colleagues to oppose the bill,
668	even if the amendment is adopted.
669	Mr. {Shimkus.} The gentleman yields back
670	Mr. {Yarmuth.} I yield back.
671	Mr. {Shimkus.} The gentleman yields back his time.
672	Does anyone else wish to speak on the amendment? If not we
673	will call the question on the amendment offered by the
674	gentleman from Louisiana.
675	All those in favor, say aye.
676	All those opposed say no.
677	In the opinion of the chair, the ayes have it. The ayes
678	have it. The amendment is agreed to.
679	A lot of excitement here this morning.
680	Anyone else seeking recognition?
681	Mr. {McNerney.} Mr. Chairman?
682	Mr. {Shimkus.} The chair recognizes the gentleman from
683	California.
684	Mr. {McNerney.} Thank you, Mr. Chairman. I have an

685 amendment at the desk.

687 The {Clerk.} Amendment to the discussion draft offered

688 by Mr. McNerney of California.

689 [The amendment of Mr. McNerney follows:]

691 Mr. {Shimkus.} The gentleman is recognized for 5692 minutes in support of his amendment.

Mr. {McNerney.} Thank you, Mr. Chairman. Mr. Waxman 693 694 laid out a very clear case for why we should strike Section 3(b) from the bill. It creates a loophole in the Clean Air 695 696 Act that allows new facilities to meet old air quality 697 standards which is a form of amnesty. Unfortunately, the 698 committee chose to reject Mr. Waxman's amendment. If the committee is unwilling to remove the Section 3(b) amnesty 699 700 loophole from the bill in the pretext of expediting the 701 permitting process, then we should at the very least, at the 702 very least, give state and local permitting authorities the 703 opportunity to do so. That is what my amendment does. 704 At the subcommittee hearing, Collin O'Mara, the 705 Secretary of the State of Delaware, State Department of 706 Natural Resources, stated in no uncertain terms that creating 707 a new Clean Air Act amnesty loophole will do nothing to 708 expedite air permitting in his State. Nothing. But implementing this amnesty loophole could have serious 709 consequences. 710

711 Secretary O'Mara warned that the bill could harm public 712 health by exempting new and expanding facilities from

713 complying with science-based air quality standards. This

714 means more pollution will enter the air, and it will be

715 harder to clean up.

Secretary O'Mara warned that the bill could harm existing businesses. When one facility is allowed to pollute more, other facilities in the area will have to invest more to reduce their emissions. That is not fair, and it is not good for the economy.

721 Secretary O'Mara warned that the bill could increase the 722 cost of achieving air quality standards. It is much cheaper 723 and more efficient to install pollution controls at the front 724 end when a facility is being constructed rather than after 725 operations begin. This bill gets it backwards. More 726 facilities may have to install expensive retrofits in the 727 future to make up for letting new facilities off the hook 728 now.

Secretary O'Mara testified that regulatory certainty and predictability are important factors in corporate decisions to build or expand facilities in his State. But he warned that the bill would increase, increase, regulatory uncertainty for industry by setting up new avenues for litigation and delay.

735 Secretary O'Mara articulated many valid concerns about

how this bill could affect his State. He should not have to adopt a program that he thinks will be counterproductive and harm human health. No state or local permitting agency should be forced into that situation.

740 My amendment simply says if a state, federal, local or tribal agency determines that adopting this loophole will 741 742 increase air pollution that harms human health, slows issues 743 of permits, increases regulatory uncertainty, creates new 744 litigation, shifts the burden of pollution control to small 745 businesses and other existing facilities or increase the cost 746 of achieving breathable air, then the agency can opt out. 747 The agency does not have to issue a permit that exempts a new 748 facility from meeting protective air quality standards. 749 This amendment does not fix all the problems created by

750 this bill, but at least it would allow the state and 751 localities to avoid some of them. I urge my colleagues to 752 support this amendment. Yield back.

753 Mr. {Shimkus.} The gentleman yields back his time. The754 chair recognizes himself in opposition to the amendment.

Obviously Section 3(b) is a critical part of this bill. Permit applicants, actually those people who have to comply, should not be left in the dark on how to comply with new permitting requirements, this whole reason why we are having
759 the bill, so that there is more certainty. And part of the discussion of my friend from California is we would concur 760 761 that you want to do the emission standard right when you are building the new facility, so you should know the 762 763 requirements. If a new rule gets put into place, the EPA should be able to help assist and say, well, how do you do 764 765 that? And that is kind of -- I think that is where the two 766 sides are kind of disagreeing which that is why we believe it 767 is a process debate. It is entirely within EPA's control to 768 issue direction to permit applications when it sets new 769 standards. The amendment offered by Mr. Barton provides 770 additional flexibility to the agency in issuing such 771 guidance. I want to remind my friends EPA can and should get their job done on time. In the previous comments I talked 772 773 about the ozone standard and the 5 years.

Also, another reason why--permit applicants need to know the rules of the road. The EPA ultimately has the veto authority over the states on permitting, and the states need to know how EPA views how they are going to comply with these issues.

779 So with that, I would ask my colleagues to vote against 780 the amendment, and I would yield back my time. Anyone else 781 seeking time? The gentleman from New York is recognized.

782 Mr. {Tonko.} Thank you, Mr. Chair. I move to strike783 the last word.

784 Mr. {Shimkus.} The gentleman is recognized for 5785 minutes.

786 Mr. {Tonko.} Thank you, Mr. Chair. I support Mr. McNerney's amendment. It wouldn't solve all of the problems 787 788 with the bill, but it partially addresses one major concern. 789 Section 3 of the bill requires EPA to issue implementation 790 regulations and guidance at the same time it issues a new 791 National Ambient Air Quality Standard. That requirement is 792 problematic for a number of reasons, but the bill doesn't 793 stop there. Under Section 3(b) until EPA issues the required 794 regulations and guidance, new sources of pollution get 795 amnesty. They don't have to meet the new more protective air 796 quality standard in order to get a preconstruction permit. 797 This creates a big loophole in the Clean Air Act that could 798 allow new facilities to emit more pollution than is safe. 799 Not only does this provision threaten public health, it is 800 also unfair to existing facilities. In an area with 801 unhealthy air, we all know that pollution is a zero-sum game. 802 If new facilities are allowed to emit more, existing 803 facilities will have to emit less to make up for that extra 804 pollution. And it is generally much more expensive to add

805 pollution controls to existing sources than to build in 806 controls up front when you are designing and building a new 807 facility. This just doesn't make any sense. How would 808 shifting pollution control burdens to existing manufacturing 809 facilities and raising pollution control costs overall boost 810 American manufacturing.

All of this bill focuses on state permitting. At the 811 812 legislative hearing that we recently had, we heard from only 813 one state permitting official, that being the Delaware 814 Secretary for Environment and Energy. Secretary O'Mara 815 explained that allowing new facilities to get a 816 preconstruction permit under an outdated air quality standard 817 will produce confusion and uncertainty. EPA echoed this 818 concern in its technical assistance to the committee. The 819 result would be more litigation and more permitting delays 820 which wouldn't help anyone.

The stated purpose of this bill is to speed up permitting. Well, if a state, local or federal permitting agency decides that this amnesty provision would actually slow down permitting, it should not be bound by the provision. If a state finds that allowing facilities to be permitted under an older air quality standard would harm public health, a state should be able to opt out of this

provision and protect the health of its citizens. If a state 828 finds that the bill's amnesty provision would create 829 regulatory uncertainty and indeed increase litigation, a 830 831 state should not be required to implement it. 832 That is all Mr. McNerney's amendment does. The 833 amendment allows each permitting agency to make its own 834 decision about whether this amnesty provision would assist or 835 impede its permitting. We often hear from our Republican 836 colleagues that we should leave more decisions to states or 837 decisions to localities. Well, here is our chance. Here is 838 your chance. You can vote for the McNerney amendment and 839 allow states and localities to make the final decision on whether this flawed provision would help or would hinder 840 841 these permitting efforts.

842 I urge everyone to support this common-sense amendment--843 Mr. {Waxman.} Will the gentleman yield if you have 844 time?

845 Mr. {Tonko.} --and I will yield my remaining time to or 846 ranking member, Mr. Waxman.

Mr. {Waxman.} Thank you very much. The EPA sets the standard. They learn more from the science as to what the standard ought to be to protect public health. So they set a new standard that is more stringent than the previous

851 standard. At the state level, for the most part, an applicant will come in and ask for a permit to build a new 852 facility. The state generally--it is usually the state--853 854 would then say we want you to do the following in order to 855 get your permit. You have got to reduce the amount of pollution to a greater extent. If we don't adopt the 856 857 McNerney amendment, that state won't be able to make the 858 decision. You take away the power of the state to make the decision. Well, the whole idea of the Clean Air Act is the 859 860 Federal Government sets the standards, but it leaves the 861 states with flexibility to decide how to meet the standards. 862 And the state now, if they chose to, not they don't have to, but if they chose to under the circumstances outlined in this 863 amendment, they could say you can go ahead with the permit 864 865 but you have got to reduce the pollution more because we 866 don't want to make other sources have to reduce that 867 pollution for the whole region because it is not a fair 868 burden to place on existing sources if a new source can use existing technology to achieve a lower amount of pollution. 869 And unless this amendment is adopted, the bill doesn't give 870 871 the states the flexibility. The bill says states, we know better than any of you. You have to take one size fits all. 872 You must give the permit based on the weaker standard. 873

874 So I strongly support the McNerney amendment, and I appreciate what my colleagues have said in favor of the 875 876 amendment. Mr. {Shimkus.} The gentleman's time has expired. 877 878 Anyone else seeking time? If not, the vote will occur on the 879 amendment offered by the gentleman from California, Mr. 880 McNerney. 881 All those in favor, say aye. 882 Those opposed, no. 883 In the opinion of the chair, the nos--884 Mr. {McNerney.} Mr. Chairman, I ask for recorded vote. 885 Mr. {Shimkus.} The gentleman asks for a recorded vote. 886 The Clerk will call the role. 887 The {Clerk.} Mr. Scalise? 888 [No response.] Mr. Hall? 889 890 Mr. {Hall.} No. 891 The {Clerk.} Mr. Hall votes no. 892 Mr. Shimkus? Mr. {Shimkus.} No. 893 894 The {Clerk.} Mr. Shimkus votes no. 895 Mr. Pitts? 896 Mr. {Pitts.} No.

897	The	{Clerk.}	Mr.	Pitts	votes	no.
898	Mr.	Terry?				
899	Mr.	{Terry.}	No.			
900	The	{Clerk.}	Mr.	Terry	votes	no.
901	Mr.	Burgess?				
902	[No	response.]				
903	The	{Clerk.}	Mr.	Latta	?	
904	Mr.	{Latta.}	No.			
905	The	{Clerk.}	Mr.	Latta	votes	no.
906	Mr.	Cassidy?				
907	Dr.	{Cassidy.}	Nc	).		
908	The	{Clerk.}	Mr.	Cassio	dy vote	es no.
909	Mr.	Olson?				
910	Mr.	{Olson.}	No.			
911	The	{Clerk.}	Mr.	Olson	votes	no.
912	Mr.	McKinley?				
913	Mr.	{McKinley.	} 1	10.		
914	The	{Clerk.}	Mr.	McKinl	Ley vot	tes no.
915	Mr.	Gardner?				
916	Mr.	{Gardner.}	No	).		
917	The	{Clerk.}	Mr.	Gardne	er vote	es no.
918	Mr.	Pompeo?				
919	[No	response.]				

920	The {Clerk.} Mr. Kinzinger?
921	Mr. {Kinzinger.} No.
922	The {Clerk.} Mr. Kinzinger votes no.
923	Mr. Griffith?
924	Mr. {Griffith.} No.
925	The {Clerk.} Mr. Griffith votes no.
926	Mr. Barton?
927	Mr. {Barton.} No.
928	The {Clerk.} Mr. Barton votes no.
929	Mr. Upton?
930	The {Chairman.} No.
931	The {Clerk.} Mr. Upton votes no.
932	Mr. Rush?
933	[No response.]
934	The {Clerk.} Mr. McNerney?
935	Mr. {McNerney.} Aye.
936	The {Clerk.} Mr. McNerney votes aye.
937	Mr. Tonko?
938	Mr. {Tonko.} Aye.
939	The {Clerk.} Mr. Tonko votes aye.
940	Mr. Yarmuth?
941	Mr. {Yarmuth.} Aye.
942	The {Clerk.} Mr. Yarmuth votes aye.

943	Mr. Engle?
944	Mr. {Engel.} Aye.
945	The {Clerk.} Mr. Engel votes aye.
946	Mr. Green?
947	[No response.]
948	The {Clerk.} Ms. Capps?
949	Mrs. {Capps.} Aye.
950	The {Clerk.} Ms. Capps votes aye.
951	Mr. Doyle?
952	[No response.]
953	The {Clerk.} Mr. Barrow?
954	Mr. {Barrow.} No.
955	The {Clerk.} Mr. Barrow votes no.
956	Ms. Matsui?
957	Ms. {Matsui.} Aye.
958	The {Clerk.} Ms. Matsui votes aye.
959	Ms. Christensen?
960	[No response.]
961	The {Clerk.} Ms. Castor?
962	[No response.]
963	The {Clerk.} Mr. Waxman?
964	Mr. {Waxman.} Aye.
965	The {Clerk.} Mr. Waxman votes aye.

966 Mr. Whitfield? 967 [No response.] 968 Mr. {Shimkus.} The Clerk will report. Mr. Green? 969 Mr. {Green.} Aye. 970 The {Clerk.} Mr. Green votes aye. 971 Mr. {Shimkus.} Seeing no other members, the Clerk will 972 report. The {Clerk.} Mr. Chairman, on that vote there were 8 973 974 ayes and 14 nays. 975 Mr. {Shimkus.} The amendment is not agreed to. 976 Are there any other amendments? 977 Seeing none, the question now occurs on forwarding the discussion draft to the Full Committee as amended. 978 979 All those in favor, say aye. 980 Those opposed, no. 981 The ayes have it. 982 Mr. {Waxman.} Request a roll call vote. 983 Mr. {Shimkus.} The gentleman requests a roll call vote. 984 The Clerk will call the roll. 985 The {Clerk.} Mr. Scalise? 986 [No response.] 987 The {Clerk.} Mr. Hall? 988 Mr. {Hall.} Aye.

989	The {Clerk.} Mr. Hall votes aye.
990	Mr. Shimkus?
991	Mr. {Shimkus.} Aye.
992	The {Clerk.} Mr. Shimkus votes aye.
993	Mr. Pitts?
994	Mr. {Pitts.} Aye.
995	The {Clerk.} Mr. Pitts votes aye.
996	Mr. Terry?
997	Mr. {Terry.} Aye.
998	The {Clerk.} Mr. Terry votes aye.
999	Mr. Burgess?
1000	[No response.]
1001	The {Clerk.} Mr. Latta?
1002	Mr. {Latta.} Aye.
1003	The {Clerk.} Mr. Latta votes aye.
1004	Mr. Cassidy?
1005	Dr. {Cassidy.} Aye.
1006	The {Clerk.} Mr. Cassidy votes aye.
1007	Mr. Olson?
1008	Mr. {Olson.} Aye.
1009	The {Clerk.} Mr. Olson votes aye.
1010	Mr. McKinley?
1011	Mr. {McKinley.} Aye.

1012	The {Clerk.} Mr. McKinley votes aye.
1013	Mr. Gardner?
1014	Mr. {Gardner.} Aye.
1015	The {Clerk.} Mr. Gardner votes aye.
1016	Mr. Pompeo?
1017	[No response.]
1018	The {Clerk.} Mr. Kinzinger?
1019	Mr. {Kinzinger.} Aye.
1020	The {Clerk.} Mr. Kinzinger votes aye.
1021	Mr. Griffith?
1022	Mr. {Griffith.} Aye.
1023	The {Clerk.} Mr. Griffith votes aye.
1024	Mr. Barton?
1025	Mr. {Barton.} Aye.
1026	The {Clerk.} Mr. Barton votes aye.
1027	Mr. Upton?
1028	The {Chairman.} Aye.
1029	The {Clerk.} Mr. Upton votes aye.
1030	Mr. Rush?
1031	[No response.]
1032	The {Clerk.} Mr. McNerney?
1033	Mr. {McNerney.} No.
1034	The {Clerk.} Mr. McNerney votes no.

1035	Mr. Tonko?
1036	Mr. {Tonko.} No.
1037	The {Clerk.} Mr. Tonko votes no.
1038	Mr. Yarmuth?
1039	Mr. {Yarmuth.} No.
1040	The {Clerk.} Mr. Yarmuth votes no.
1041	Mr. Engle?
1042	Mr. {Engel.} No.
1043	The {Clerk.} Mr. Engel votes no.
1044	Mr. Green?
1045	[No response.]
1046	The {Clerk.} Ms. Capps?
1047	Mrs. {Capps.} No.
1048	The {Clerk.} Ms. Capps votes no.
1049	Mr. Doyle?
1050	[No response.]
1051	The {Clerk.} Mr. Barrow?
1052	Mr. {Barrow.} Aye.
1053	The {Clerk.} Mr. Barrow votes aye.
1054	Ms. Matsui?
1055	Ms. {Matsui.} No.
1056	The {Clerk.} Ms. Matsui votes no.
1057	Ms. Christensen?

1058	[No response.]
1059	The {Clerk.} Ms. Castor?
1060	[No response.]
1061	The {Clerk.} Mr. Waxman?
1062	Mr. {Waxman.} No.
1063	The {Clerk.} Mr. Waxman votes no.
1064	Mr. {Shimkus.} Any other members seeking recognition?
1065	One more coming. Mr. Green?
1066	Mr. {Green.} No.
1067	The {Clerk.} Mr. Green votes no.
1068	Mr. {Shimkus.} The Clerk will report, when you count.
1069	The {Clerk.} Mr. Chairman, on that vote there were 14
1070	ayes and 8 nays.
1071	Mr. {Shimkus.} Fourteen ayes, eight nays. The ayes
1072	have it. The bill is agreed to.
1073	Without objection, staff is authorized to make technical
1074	and conforming changes for the legislation approved by the
1075	Subcommittee today. So ordered, without objection. The
1076	Subcommittee stands adjourned.
1077	[Whereupon, at 10:56 a.m., the Subcommittee was
1078	adjourned.]