

Statement of Chairman John Shimkus
Subcommittee on Environment
Hearing on “New Source Review Permitting Challenges for
Manufacturing and Infrastructure”
February 14, 2018

(As prepared for delivery)

Today’s hearing examines the impact of the EPA’s New Source Review air permitting program, commonly referred to as NSR. Congress created this preconstruction permitting program with the goal of protecting air quality by ensuring the use of appropriate pollution control devices on new and modified sources of emissions, such as power plants, factories, and industrial facilities.

As you can imagine, the NSR permitting program reaches across several industry sectors and has far reaching impacts on America’s economy and global competitiveness. For these reasons, it is incredibly important for us to ensure that the preconstruction permitting program is working effectively and efficiently. Unfortunately, history shows that there are too many instances where the current NSR program is anything but effective and efficient.

As we will hear from many of our witnesses today, over time the NSR program has become more costly and time-consuming, which not only slows economic growth but also hinders the nation’s ability to modernize infrastructure. Under the existing NSR program, it can take multiple years and millions of dollars to obtain the preconstruction air permits required to begin construction on a new facility. This significant time delay and cost burden makes it more difficult and less likely for owners to invest in new projects and facilities.

Not only is the NSR process costly and time-consuming, it is also complex and uncertain. Right now on the EPA’s website, there are nearly 700 posted guidance documents that an applicant may need to be aware of when seeking a preconstruction permit. Companies must hire teams of lawyers just to understand the requirements and processes established

under the NSR program. The end result of this complexity, is that companies are so afraid of incorrectly interpreting NSR requirements and violating the rules that they are hesitant to pursue projects that require an NSR preconstruction permit. In other words, the NSR program is holding back needed investment in the nation's infrastructure, industrial capacity, and manufacturing capabilities.

One particularly frustrating effect of the NSR program, is that it discourages owners from carrying out projects that would improve the environmental performance of their facilities. For example, if a company wants to perform efficiency upgrades or install new pollution control technology, they typically have to obtain a preconstruction permit through the NSR program. However, because the NSR program is so burdensome, many owners are choosing to avoid the NSR process and facility upgrades altogether, and are instead continuing to operate older, less efficient, dirtier facilities.

Clearly there are significant problems and shortcomings with how the NSR program is being carried out today. The goal of this hearing is to identify and understand the challenges connected to the NSR program so that we can begin considering potential reforms to improve the program.

To assist our work, we will hear today from witnesses who can explain the challenges faced by manufacturers and industry seeking to expand operations. We will hear from a state regulator who can explain the role the NSR program plays in protecting local air quality and we will also hear from NSR policy experts who can discuss options for how to reduce unnecessary NSR permitting burdens.

I am confident that through targeted changes to the NSR program, we can not only reduce the unnecessary burden imposed upon industry, but also maintain and enhance the NSR program's important protections for the environment and public health.