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6 FROM GRIDLOCK TO GROWTH:
7 PERMITTING REFORM UNDER THE CLEAN AIR ACT
8 TUESDAY, SEPTEMBER 16, 2025
9 House of Representatives,
10 Subcommittee on Environment,
11 Committee on Energy and Commerce,
12 Washington, D.C.

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16 The subcommittee met, pursuant to call, at 3:45 p.m.,
17 Room 2123, Rayburn House Office Building, Hon. Gary Palmer
18 [chairman of the subcommittee], presiding.

19 Present: Representatives Palmer, Crenshaw, Latta,
20 Carter of Georgia, Joyce, Weber, Pfluger, Miller-Meeks,
21 Evans, Fedorchak, Guthrie (ex-officio); Tonko, Schakowsky,
22 Ruiz, Peters, Barragan, Soto, Auchincloss, Menendez,
23 Landsman, and Pallone (ex-officio).

24 Staff Present: Ansley Boylan, Director of Operations;
25 Byron Brown, Chief Counsel; Christian Calvert, Press
26 Assistant; Jessica Donlon, General Counsel; Sydney Greene,
27 Director of Finance and Logistics; Christen Harsha, Senior

28 Counsel; Annabelle Huffman, Clerk; Calvin Huggins, Clerk;
29 Sophie Khanahmadi, Deputy Staff Director; Sarah Meier,
30 Counsel and Parliamentarian; Ben Mullaney, Chief Counsel;
31 Kaitlyn Peterson, Policy Analyst; Seth Ricketts, Special
32 Assistance; Jake Riith, Staff Assistant; Jackson Rudden,
33 Staff Assistant; Chris Sarley, Member Services/Stakeholder
34 Director; Timothy Trimble, Staff Assistant; Matt VanHyfte,
35 Communications Director; Katharine Willey, Senior Counsel;
36 Keegan Cardman, Minority Staff Assistant; Timia Crisp,
37 Minority Professional Staff Member; Waverly Gordon, Minority
38 Deputy Staff Director and General Counsel; Tiffany Guarascio,
39 Minority Staff Director; Anthony Gutierrez, Minority
40 Professional Staff Member; Caitlin Haberman, Minority Staff
41 Director, ENV; Kylea Rogers, Minority Policy Analyst; Andrew
42 Souvall, Minority Director of Communications, Outreach, and
43 Member Services; and Shae Reinberg, Minority Intern.
44

45 *Mr. Palmer. The Subcommittee on the Environment will
46 now come to order.

47 The chair now recognizes himself for five minutes for an
48 opening statement.

49 I would like to welcome everyone to today's hearing
50 entitled, "From Gridlock to Growth: Permitting Reform Under
51 the Clean Air Act.'" This hearing takes place at a critical
52 moment for our country and the committee. If we want to
53 remain globally competitive, we need permitting reform. This
54 cannot happen without modernizing the Clean Air Act.

55 The Clean Air Act now accounts for some of the most
56 expensive and significant barriers in the modern permitting
57 process. What is worse, and what we will hear from the
58 witnesses today, these outdated regulations fail to address
59 the most significant sources of pollution and disincentivize
60 companies from investing in cost-efficient and effective
61 technology.

62 At the core of the Clean Air Act is the idea that we can
63 protect our environment without sacrificing economic growth.
64 In the decades since it passed the Act was largely successful
65 in accomplishing this goal. But that success is threatened
66 by outdated provisions that do not function well today. The
67 Clean Air Act, as it stands, holds outdated provisions that
68 punish American job creators for emissions they have no
69 control over. It discourages wildfire mitigation measures

70 threatening this country's air quality. It risks our economy
71 and national security because of pollution that comes from
72 outside the United States. It threatens our ability to stay
73 competitive in the global artificial intelligence race. Most
74 importantly, it inhibits the United States' ability to meet
75 our domestic energy needs.

76 Americans care about clean air. They also care about
77 rising electricity costs and our economy. They understand
78 that excessive regulation and outdated statutes do not equate
79 to good or effective regulation. They care about
80 technological advancement, not punishing American companies
81 who lead that advancement.

82 The witnesses we hear from today have extensive
83 experience with the challenges presented by these outdated
84 provisions, and are well suited to explain their impact. I
85 look forward to their testimony and their feedback on the
86 discussion drafts.

87 In June we held our first hearing on the need to update
88 the Clean Air Act. At that hearing we heard testimony from
89 -- about the billion-dollar price tag from Clean Air Act
90 regulations doing little to improve air quality and the state
91 of our economy. At that hearing my colleagues across the
92 aisle were critical of the proposals discussed because
93 reforms were discussed in prior Congresses. They challenged
94 us to introduce novel ideas to reform the Clean Air Act.

95 This feedback we took seriously.

96 I encourage the panel of witnesses before us today to
97 give us their best solutions for modernizing the Clean Air
98 Act, both novel and previously discussed. Some of these
99 solutions may not be novel, but our permitting problem isn't
100 novel either, and it is not getting better. Thirty-five
101 years have passed since this committee meaningfully updated
102 the Clean Air Act. It is our job to make sure that
103 legislation passed out of this chamber is functioning
104 effectively, and is updated when needed. Let's take this
105 opportunity to modernize out-of-date legislation and create
106 an effective permitting program that works for the American
107 people.

108 I thank the members of the committee who are leading
109 these efforts, and I hope my colleagues take the opportunity
110 to engage in meaningful permit reform.

111 [The prepared statement of Mr. Palmer follows:]

112

113 *****COMMITTEE INSERT*****

114

115 *Mr. Palmer. I now recognize the ranking member of the
116 subcommittee, my friend from New York, Mr. Tonko, for five
117 minutes for an opening statement.

118 *Mr. Tonko. Thank you, Mr. Chair, and welcome to our
119 witnesses. I especially recognize Ms. Kunz with Micron.
120 Micron is making historic investments in upstate New York,
121 creating thousands of well-paying jobs and revitalizing
122 communities that have been rusty in recent decades into hubs
123 for the next generation of advanced manufacturing in the
124 United States. And we are most appreciative, grateful for
125 those investments to breathe new life into our region and
126 help secure our nation's future economic competitiveness in
127 such an important and strategic industry.

128 This is an exciting time, but I also recognize there is
129 a right way to develop these types of projects, one that
130 allows for community engagement and mitigation of
131 environmental harms. And there is a wrong way, where we cut
132 corners, take shortcuts, and exempt our way of out of needing
133 to care about pollution and its health consequences.

134 While I do not doubt that some Clean Air Act permitting
135 processes could be re-examined, we should not overlook how
136 effective the law has been historically at allowing our
137 economy to grow while reducing dangerous air pollution. As I
138 have said at past hearings, I do not take this past success
139 as evidence that we require a dramatic departure from the

140 law. On the contrary, there is still much more work to do to
141 ensure all Americans can breathe healthy air. More than 156
142 million Americans are living in places with unhealthy levels
143 of ozone or particle pollution.

144 This is not the first set of proposals to reform the
145 Clean Air Act examined by the subcommittee this year. And
146 much like that first slate, I have serious concerns with each
147 of the bills before us today. Of all of the bills on the
148 docket, I want to single out the Air Permitting Improvements
149 to Protect National Security Act, which would create a new
150 presidential exemption in the Clean Air Act.

151 Unfortunately, we have already seen EPA and President
152 Trump completely abuse the exemption process established in
153 section 112(i)(4) of the Act for National Emissions Standards
154 for Hazardous Air Pollutants. EPA solicited requests for
155 exemptions from regulated entities, and the President has
156 granted them with essentially no public process or
157 justification. This is a horrible, opaque way to manage
158 environmental regulations, allowing the President to handpick
159 individual firms, potentially for political reasons, to
160 receive special treatment at the expense of the people that
161 live near these polluting facilities.

162 Creating another presidential exemption process, after
163 seeing how the existing process has been so brazenly abused
164 by this Administration, would be a dereliction of our duty as

165 the subcommittee with jurisdiction over the Clean Air Act.
166 But with that said, I know there remains significant
167 stakeholder interest in Congress pursuing some version of
168 bipartisan permitting reform. From my perspective, those
169 negotiations cannot happen while the Trump Administration
170 continues to provide zero confidence that any bipartisan
171 agreement in Congress would be honored and implemented as
172 intended.

173 There is a long and growing record of the Trump
174 Administration playing favorites among certain technologies,
175 and individual firms doing favors for political allies and
176 threatening retaliation against those that object.
177 Meanwhile, EPA is carrying out a deregulatory agenda that is
178 eroding critical public health protections, including
179 numerous air pollution rules that would have saved thousands
180 of Americans' lives. This is not fostering a foundation that
181 will allow bipartisan negotiations to succeed.

182 Finally, I suspect that today it might be suggested that
183 the Clean Air Act has gone 35 years without a major overhaul,
184 and is in need of modernization. Well, people might be
185 surprised to hear that I do not disagree, but modernization
186 of our bedrock environmental laws should not just be a
187 shorthand for enacting a deregulatory agenda. We should
188 consider the challenges our country is facing at this moment
189 and develop targeted solutions for them.

190 The 1990 amendments tackled many of the issues of that
191 era, including establishing the Acid Rain program and putting
192 new emphasis on addressing hazardous air pollutants. Today
193 we should seek to provide similar regulatory certainty to
194 meet our current moment. If we are serious about modernizing
195 the Clean Air Act, let's start by enacting a long-term
196 program to phase down greenhouse gas emissions. I would
197 welcome the conversation with the majority about how we can
198 provide appropriate regulatory certainty and compliance
199 flexibility while still allowing us to reduce this dangerous
200 pollution and, indeed, grow our economy.

201 [The prepared statement of Mr. Tonko follows:]

202

203 *****COMMITTEE INSERT*****

204

205 *Mr. Tonko. With that, Mr. Chair, I yield back.

206 *Mr. Palmer. I thank the gentleman. The chair now
207 recognizes the chairman of the full committee, the
208 distinguished gentleman from Kentucky, Mr. Guthrie, for five
209 minutes.

210 *The Chair. Thank you, Mr. Chairman. I thank you for
211 your opening statement and for my friend from New York's
212 opening statement, as well, that we can work on what we know
213 is -- a common goal is that we beat China, and we have to
214 have the energy and the resources to do it. And I know it is
215 -- and we have to have the permitting and so we can move the
216 energy and resources to do it.

217 And so America's job creators have been forced to
218 confront burdensome and unworkable regulations that cost and
219 create unnecessary barriers to growing their businesses. And
220 today we will have a panel of witnesses -- thank you all for
221 being here -- that will testify about the need to pass
222 common-sense, clean air permitting reforms to reduce
223 unreasonable regulatory burdens while continuing to protect
224 our environment.

225 Protecting our environment and strengthening our economy
226 are not mutually exclusive. As we heard in our hearing in
227 June on the National Ambient Air Quality Standards,
228 regulatory burdens from the Biden-Harris Administration cost
229 nearly \$1.8 trillion, and more than 70 percent of the cost

230 was imposed by the EPA, primarily from Clean Air Act rules.

231 Permitting requirements under the Clean Air Act are
232 often cited as overly complex, time consuming, and costly.
233 They also often serve as a disincentive to building new or
234 expanding existing infrastructure and manufacturing, even if
235 the project would be better for the environment. Substantive
236 permitting reform under the Clean Air Act is needed for the
237 U.S. to strengthen domestic manufacturing, build critical
238 infrastructure, and meet the growing energy needs, and win
239 the AI race.

240 H.R. 161 was introduced by Representative Griffith, and
241 our four discussion drafts we will discuss today would make
242 targeted changes to the Clean Air Act. They would not gut
243 the Clean Air Act. Instead, they are sort of common-sense
244 solutions we need.

245 Our witnesses today will share their firsthand
246 experience with the current regulatory system and challenges
247 they have encountered while trying to grow their business or
248 strengthen their local economies.

249 This committee has a unique opportunity to enact
250 meaningful reforms, and I am eager to collaborate with
251 members of this committee as we work to consider and achieve
252 the necessary reforms.

253

254

255 [The prepared statement of The Chair follows:]

256

257 *****COMMITTEE INSERT*****

258

259 *The Chair. I appreciate the time, and I will yield
260 back.

261 *Mr. Palmer. The gentleman yields. The ranking member
262 of the full committee, Mr. Pallone, is submitting his opening
263 statement for the record.

264 [The prepared statement of Mr. Pallone follows:]

265

266 *****COMMITTEE INSERT*****

267

268 *Mr. Palmer. Therefore, it concludes the member opening
269 statements.

270 The chair would like to remind members and, pursuant to
271 committee rules, all members' opening statements will be made
272 part of the record.

273 I would also like to remind members that the five-minute
274 question rule will be strictly enforced today.

275 I would like to thank our witnesses for being here today
276 and taking the time to testify before the subcommittee. You
277 will have the opportunity to give an opening statement,
278 followed by a round of questions from the members.

279 Our witnesses today are Danny Seiden, president and CEO
280 of the Arizona Chamber of Commerce and Industry; Ashley Kunz,
281 senior director of environmental health and safety at Micron;
282 Keri Powell, senior attorney for community health and air
283 program leader at Southern Environmental Law Center; Mark
284 Gebbia, vice president for environmental and permitting at
285 Williams Companies; Ali Mirzakhilili, air quality division
286 administrator at the Oregon Department of Environmental
287 Quality; and Clint Woods, commissioner of the Indiana
288 Department of Environmental Management.

289 Thank you for being here today. I would like -- are we
290 swearing in our witnesses?

291 *Voice. No.

292 *Mr. Palmer. Okay. Well, thank all of you for being

293 here today.

294 Mr. Seiden, you are recognized for five minutes for
295 opening statement.

296

297 STATEMENT OF DANNY SEIDEN, PRESIDENT AND CEO OF THE ARIZONA
298 CHAMBER OF COMMERCE AND INDUSTRY; ASHLEY KUNZ, SENIOR
299 DIRECTOR OF ENVIRONMENTAL HEALTH AND SAFETY AT MICRON; KERI
300 POWELL, SENIOR ATTORNEY FOR COMMUNITY HEALTH AND AIR PROGRAM
301 LEADER AT SOUTHERN ENVIRONMENTAL LAW CENTER; MARK GEBBIA,
302 VICE PRESIDENT FOR ENVIRONMENTAL AND PERMITTING AT WILLIAMS
303 COMPANIES; ALI MIRZAKHALILI, AIR QUALITY DIVISION
304 ADMINISTRATOR AT THE OREGON DEPARTMENT OF ENVIRONMENTAL
305 QUALITY; AND CLINT WOODS, COMMISSIONER OF THE INDIANA
306 DEPARTMENT OF ENVIRONMENTAL MANAGEMENT.

307

308 STATEMENT OF DANNY SEIDEN

309

310 *Mr. Seiden. Chairman Palmer, Ranking Member Tonko,
311 full committee Chair Guthrie, Ranking Member Pallone, and
312 members of the subcommittee, thank you for the opportunity to
313 testify today. My name is Danny Seiden. I am the president
314 and CEO of the Arizona Chamber of Commerce and Industry, and
315 I am here today on behalf of Arizona businesses, both large
316 and small.

317 At the Arizona Chamber we represent every sector of our
318 state's economy, from mining to manufacturing, energy, health
319 care, and technology. I am also happy and proud to be here
320 in coordination with the National Association of
321 Manufacturers.

322 The issues we are discussing here today are very
323 personal for me. Before leading the Chamber, I worked for
324 Intel, where I saw the impact firsthand that Federal
325 permitting decisions have on investment, innovation, and
326 jobs. I have seen how businesses of every size invest
327 heavily in cleaner technologies because they want to be good
328 stewards of their communities. That experience drives my
329 perspective today.

330 Arizona businesses aren't asking for a free pass. They
331 are just asking for a fair chance to grow responsibly.
332 Arizona is at the center of America's growth story right now.
333 We are attracting historic levels of investment in industries
334 that are vital to out-competing China, strengthening our
335 national security, and providing for our clean energy future.
336 A symbol of that growth is TSMC's decision to invest \$165
337 billion in Arizona, the largest foreign direct investment in
338 the United States history. This didn't happen by accident.
339 It is a product of years of smart policies and a competitive
340 environment.

341 Since 1990 our state's population has skyrocketed, our
342 GDP has risen by over 550 percent, and vehicle miles traveled
343 have soared. Yet overall emissions are down 70 percent.
344 That is proof that economic growth and cleaner air can go
345 hand in hand. Despite this progress and continued rigorous
346 efforts to reduce emissions, Arizona continues to face ozone

347 challenges driven by factors outside of our control. In
348 fact, approximately more than 80 percent of our ozone comes
349 from other states, from Mexico, from Asia, and natural events
350 like wildfires.

351 As a matter of fact, even if we were to shut down every
352 industrial source in the state and took every car off the
353 road in Phoenix, an area the size of the State of
354 Connecticut, we would not meet the standard. Still,
355 Arizona's businesses are penalized as if they are
356 responsible. This is not just a regulatory burden; it is an
357 economic and strategic threat that could result in projects
358 vital to national security being delayed or stopped. If
359 companies can't build here, they will build somewhere else,
360 likely in countries with weaker standards. And that is a
361 lose-lose scenario.

362 To make matters worse, unlike states with long
363 industrial histories, Arizona, which is the newest state in
364 the great 48, has no emission reduction credits or offsets to
365 rely on. So when a new facility wants to break ground or an
366 existing one wants to expand, there is no offsets for them to
367 purchase. Our bank is empty. It is a regulatory dead end,
368 and innovative industries that would reduce emissions long
369 term are blocked from growing. Arizona is at the tip of the
370 spear for this issue as we continue to bring back
371 manufacturing to America, though more states will face this

372 problem, especially if standards continue to be set at or
373 below natural background levels.

374 I do want to briefly recognize progress already made
375 under EPA Administrator Zeldin's leadership. Administrator
376 Zeldin came to our state very early on, and he took action.
377 By rescinding outdated section 179(b) guidance, signaling
378 flexibility on unfair nonattainment classifications, and
379 recognizing the difference between controllable and
380 uncontrollable sources, EPA is moving towards fairness.

381 But what struck me the most about that meeting wasn't
382 just the policy. It was the people in the room. We had
383 leaders from statewide and local communities. We had elected
384 Democrats, elected Republicans. We had past-elected
385 officials. And everyone in the room were all rowing in the
386 same direction. This shows what is possible when we
387 prioritize solutions over politics.

388 Congress and this committee can now build on this
389 progress through six reforms which I am glad to discuss in
390 detail during Q&A: the first, protecting competitiveness by
391 keeping standards realistic; second, codifying reforms to
392 section 179(b); incentivizing upwind controls; fourth,
393 modernizing permitting; fifth, encouraging innovation and
394 collaboration; and finally, sixth, strengthening cooperative
395 federalism by allowing states to approve projects if EPA
396 fails to act within a reasonable timeframe. These reforms

397 will help give private sector investors certainty.

398 Arizona is now a global hub for advanced manufacturing.
399 Our request is simple: give us the flexibility and tools to
400 continue to reduce emissions while ensuring that industries
401 vital to Arizona and the United States economy are not
402 sanctioned out of existence.

403 Thank you, and I look forward to your questions.

404 [The prepared statement of Mr. Seiden follows:]

405

406 *****COMMITTEE INSERT*****

407

408 *Mr. Palmer. The chair now recognizes Ms. Kunz for five
409 minutes.

410

411 STATEMENT OF ASHLEY KUNZ

412

413 *Ms. Kunz. Chairman Palmer, Ranking Member Tonko, and
414 members of the committee, thank you for the opportunity to
415 testify today to represent Micron Technology regarding the
416 importance of permitting reform in our broader conversations
417 of invigorating American manufacturing. My name is Ashley
418 Kunz, and I serve as the senior director responsible for
419 environmental health and safety for Micron's U.S. expansion
420 projects in Idaho and New York.

421 Micron was founded more than 46 years ago in Boise,
422 Idaho as a technology startup. Today Micron is a world
423 leader in the design, development, and manufacturing of
424 memory and storage products, and is the only U.S.
425 semiconductor manufacturer with technology leadership.
426 Micron has announced the largest private investment in memory
427 manufacturing in U.S. history of up to \$150 billion for
428 domestic memory manufacturing and \$50 billion for research
429 and development, creating as many as 90,000 U.S. jobs and
430 strengthening the U.S. supply chain for the technologies that
431 power everything from mobile devices to automobiles to
432 artificial intelligence and advanced defense systems.

433 Semiconductors are at the backbone of the modern
434 economy. And yet, over the past several decades advanced
435 chip manufacturing has largely shifted overseas. That
436 imbalance puts our economy and our national and economic
437 security at risk. Rebuilding this capability here at home is
438 an area of bipartisan consensus. We appreciate the
439 subcommittee's bipartisan leadership on permitting reform,
440 and we urge you to continue to drive progress here.

441 But I want to be candid about challenges that we face.
442 We are doing our part to make sure our planned expansions are
443 at the cutting edge of innovation, efficiency, environmental
444 stewardship, and sustainability. Our facilities are expected
445 to achieve a minimum of Gold LEED status by adopting design,
446 construction, and operational efficiencies. We use smart
447 controls, energy recapture from tools, water reuse and
448 recycling, among many other innovations. But our innovations
449 won't be enough to maintain competitiveness. We need to
450 ensure that the regulations keep pace with our industry's
451 manufacturing expansions.

452 Micron is committed to environmental stewardship and
453 compliance with regulations and standards, and we support the
454 health-based objectives of the PM 2.5 rule. We also support
455 updates to the permitting process that will facilitate
456 necessary industrial growth. Our facilities are designed
457 with multi-million-dollar available control technology to

458 reduce emissions, as well as other design features such as
459 limiting the number of emissions-generating equipment. And
460 last year, Idaho's Micron campus won awards from both the EPA
461 and Idaho Association of Commerce and Industry for pollution
462 prevention, particularly with acknowledgments for above-and-
463 beyond emissions reduction.

464 Allowable levels within the PM 2.5 standard was recently
465 reduced from 12 micrograms to 9. Our Idaho and New York
466 projects are located in attainment areas for PM 2.5 where
467 baseline background levels are already around 6 micrograms.
468 In Idaho wildfire smoke has become increasingly common and an
469 uncontrollable contributor to PM 2.5. Working to codify the
470 definitions within the standards around wildfire events could
471 assist in providing meaningful clarity. And not getting this
472 right affects not only Micron's investments, but America's
473 broader efforts to restore semiconductor leadership. If
474 permitting stalls key projects, the U.S. would fall behind,
475 undermining economic competitiveness.

476 We appreciate the committee's review of the Clean Air
477 Act, specifically the permitting process, and ask the
478 following: consider a range of reviews from the Clean Air
479 Scientific Advisory Committee; support the EPA in providing
480 timely guidance to states and permittees; support investments
481 in modernizing required permitting tools and staff resourcing
482 at the local, state, and Federal levels, and address any

483 duplications within regulations.

484 To close, Micron's memory and chip development --
485 Micron's business is memory and chip development and
486 manufacturing, and we are fully committed in investing in
487 American manufacturing and to environmental stewardship, and
488 we work very hard to ensure environmentally compliant and
489 safe operations where we work and live. And we believe there
490 is room for improvement and efficiency gains within the
491 permitting process that can preserve both environmental
492 integrity and U.S. competitiveness. Micron is ready to do
493 its part, and we look forward to continuing to partner with
494 this subcommittee and with Congress to ensure the United
495 States remains a global leader in semiconductor manufacturing
496 and technology.

497 Thank you, and I welcome your questions.

498 [The prepared statement of Ms. Kunz follows:]

499

500 *****COMMITTEE INSERT*****

501

502 *Mr. Crenshaw. [Presiding] Thank you, Ms. Kunz.
503 Ms. Powell, you are now recognized for five minutes.

504

505 STATEMENT OF KERI POWELL

506

507 *Ms. Powell. Thank you. Good afternoon. Thank you to
508 the members of the subcommittee for inviting me to testify
509 today. My name is Keri Powell, and I am the air program
510 leader and senior attorney for the Southern Environmental Law
511 Center.

512 SELC is a non-profit, non-partisan legal and policy
513 organization dedicated to protecting the health and
514 environment of communities across the southeast.

515 The Clean Air Act, at its core, is a public health law.
516 Its standards are designed to protect health with an adequate
517 margin of safety. That phrase reflects Congress's intent to
518 protect even the most vulnerable children, the elderly, and
519 those with pre-existing illnesses.

520 The Clean Air Act results are striking. By 2020 the Act
521 prevented 230,000 premature deaths annually. It reduced
522 asthma attacks, heart disease, and respiratory illnesses. As
523 documented by EPA, the Clean Air Act's benefits exceed its
524 cost by a factor of more than 30 to 1. The Act has allowed
525 us to breathe cleaner air, avoid premature deaths, and grow
526 our economy at the same time.

527 I am here today to talk about the critical importance of
528 Clean Air Act permitting in achieving these goals. These
529 requirements are not needless paperwork; they are central to
530 effective implementation. Strong clean air protections are
531 implemented through permits. Rather than weakening this
532 essential tool for protecting air quality, Congress should be
533 providing more support to state and local agencies charged
534 with issuing and enforcing air permits. They need technical
535 and scientific support, legal support, and funding. What
536 they do not need is fuzzy requirements full of loopholes that
537 prevent them from issuing strong permits needed to protect
538 public health in their communities.

539 The proposals before you today would undermine the Clean
540 Air Act's legacy of protecting public health. But that is a
541 sacrifice we don't need to make. We can have both healthy
542 air quality and robust economic growth.

543 The Clean Air Act's New Source Review permitting program
544 works by requiring large new facilities to utilize modern
545 pollution controls and requiring existing large facilities to
546 do the same whenever they make changes that will
547 significantly increase their emissions. In other words,
548 existing facilities must modernize their pollution controls
549 at the same time that they modernize their industrial
550 processes. It is how we avoid locking in dirty technologies
551 for decades to come.

552 Far from improving New Source Review, the so-called New
553 Source Review Permitting Improvement Act would essentially
554 eliminate NSR for changes made to our nation's largest
555 industrial sources. Instead of requiring NSR for facility
556 changes that increase actual emissions that worsen air
557 quality, the bill alters how we measure pollution. It also
558 creates a loophole that excludes a host of other changes.
559 The effect of this bill would be to enable a source to make a
560 change that vastly increases its actual annual emissions
561 without installing modern controls or ensuring that the
562 increased air pollution will not make air quality unsafe.

563 Communities that are already overburdened with highly
564 polluting facilities would bear the brunt of this rollback of
565 NSR safeguards. Not only would they be exposed to more
566 pollution, but they would also be shut out of participating
567 in decision-making regarding whether pollution increases
568 should be allowed.

569 The proposed Air Permitting Improvements to Protect
570 National Security Act would authorize the President to exempt
571 specified types of new, highly-polluting facilities from the
572 requirement to offset the new pollution they will cause with
573 air pollution reductions within the same airshed. It is
574 important to recognize that these offsets are only required
575 in places where air quality is already unsafe. We do not
576 need to put the health of the American people in jeopardy to

577 encourage economic growth. Any exemption from pollution
578 offset requirements is highly concerning, but the
579 presidential exemption from offset requirements is especially
580 problematic because there are no public health guardrails, it
581 does not require a factual justification, and it is granted
582 without public participation.

583 The proposed bill would also create a pay-to-play
584 loophole, authorizing state permitting agencies to allow
585 alternative offsets or charge a fee in place of real,
586 enforceable air pollution reductions. Again, this is an idea
587 that would put communities at risk who are already suffering
588 from air quality violations. There would be no guardrails to
589 ensure that these offsets actually occurred.

590 I am not addressing the FENCES, FIRE, and RED TAPE bills
591 in my oral comments due to time constraints, but SELC opposes
592 all of them. Please see my written testimony for details.

593 Thank you again for the opportunity to testify.

594 [The prepared statement of Ms. Powell follows:]

595

596 *****COMMITTEE INSERT*****

597

598 *Mr. Crenshaw. Thank you, Ms. Powell.

599 Mr. Gebbia, you are now recognized for five minutes.

600

601 STATEMENT OF MARK GEBBIA

602

603 *Mr. Gebbia. Good morning, Chairman Palmer, Vice
604 Chairman Crenshaw, and Ranking Member Tonko, and members of
605 the subcommittee. My name is Mark Gebbia, and I am the vice
606 president of environmental, regulatory, and permitting at the
607 Williams Companies. I am honored to be invited to discuss
608 ways we can work together to unleash American energy while
609 also protecting the environment.

610 Supplying the world's energy needs while protecting the
611 environment is one of the greatest challenges of our time.
612 Today, as one of the nation's largest energy infrastructure
613 providers, Williams is responsible for handling approximately
614 one-third of the nation's natural gas through 33,000 miles of
615 pipelines across the United States. Our operations include
616 gas gathering, processing, storage, and transmission. We
617 directly serve over 600 utility and industrial customers, and
618 we indirectly serve over 35 million energy consumers.

619 Williams is driven to meet the world's need for clean,
620 affordable, and reliable energy by providing the necessary
621 infrastructure to serve growing markets and safely deliver
622 natural gas where it is needed most. We take pride in our

623 safety-driven, continuous improvement culture, and we lead
624 with authenticity, creating connections to lead our industry
625 into the future.

626 Williams remains steadfast and focused on applying
627 pragmatic solutions to further decarbonize the natural gas
628 value chain while at the same time exploring and advancing
629 the next generation of emission reduction technologies and
630 energy infrastructure solutions. As outlined in our most
631 recent sustainability report, we replaced 92 compression
632 engines in 2024 as a part of our global emissions reduction
633 program; we held our absolute carbon emissions flat in 2024,
634 even as our operations grew significantly; we became the
635 first major U.S. midstream company to join OGMP 2.0, an
636 international initiative for transparent methane emissions
637 reporting.

638 Further, we continue to develop and invest in
639 alternative low-carbon technologies such as independently
640 certified next-gen gas, carbon capture and sequestration,
641 solar and battery storage. Our investment in energy
642 infrastructure creates thousands of direct and indirect jobs,
643 supporting skilled labor and stimulating local economies.
644 Williams knows how to responsibly and sustainably build and
645 operate energy infrastructure. And by focusing on turnkey
646 power generation solutions for hyperscalers, we are
647 supporting America's ability to win the race against China

648 for artificial intelligence.

649 The United States is facing a surge in energy demand
650 driven by the rapid expansion of AI technologies.
651 Electricity demand increased 5 percent between 2010 and 2024,
652 with most of that growth captured in 2024. It is forecasted
653 to increase 32 percent between 2025 and 2040, driven by the
654 emergence of large load data centers and increased
655 electrification of transportation and heating, along with
656 industrial reshoring of manufacturing facilities.

657 There are approximately 175 data centers planned or
658 under construction within 50 miles of our transmission
659 pipeline footprint. While Williams does not expect to
660 capture every data center opportunity, we are well positioned
661 to provide energy and ensure reliability for this growing
662 source of demand, notably with behind-the-meter natural gas
663 power generation. However, several legacy EPA air permitting
664 regulations originally designed for coal-fired plants owned
665 by electric utility companies are creating delays and costs
666 that do not align with the nature and needs of these cleaner,
667 modern facilities.

668 Congress can amend programs and statutes implemented by
669 EPA to provide clarity needed to help accelerate construction
670 timelines, reduce permitting burdens and delays, and align
671 with national goals for energy reliability, security, and AI
672 leadership without compromising environmental protections.

673 These reforms, outlined in my testimony, would clarify that
674 innovative gas-fired technologies and behind-the-meter
675 facilities are not swept into outdated steam, electric, or
676 utility categories that trigger unnecessary New Source Review
677 thresholds; remove these same facilities from legacy trading
678 programs such as the Acid Rain and Cross-State Air Pollution
679 programs that were never intended to apply to sources that do
680 not sell power to the utility grid; expand the pre-
681 construction activities a developer may perform at its own
682 risk, shortening project timelines without compromising air
683 quality; avoid making data center owners subject to
684 permitting responsibilities for on-site power generation
685 units that are owned by others; and ensure that section 111
686 Greenhouse Gas Standards for utilities, now proposed for
687 repeal, cannot be misapplied to behind-the-meter units.

688 I have outlined additional reforms Congress should
689 consider in my written testimony.

690 Pipelines power America, and our country and its
691 citizens have received the benefits of this large-scale
692 infrastructure for years. Clarifications to the application
693 of Federal air regulations to modern, behind-the-meter data
694 center projects will ensure that United States can win the
695 race for AI without compromising environmental protection.

696 Mr. Chairman, Mr. Vice Chairman, Ranking Member, and
697 distinguished members of the Committee, this concludes my

698 prepared statement. I welcome your questions. Thank you.

699 [The prepared statement of Mr. Gebbia follows:]

700

701 *****COMMITTEE INSERT*****

702

703 *Mr. Evans. [Presiding] Thank you. The chair now
704 recognizes Mr. Mirzakhilili for five minutes.

705

706 STATEMENT OF ALI MIRZAKHALILI

707

708 *Mr. Mirzakhilili. Thank you very much. Chairman
709 Palmer, Ranking Member Tonko, and members of the
710 subcommittee, good afternoon. My name is Ali Mirzakhilili,
711 and I serve as Oregon's administrator of air quality. I also
712 co-chair the National Association of Clean Air Agencies
713 Permitting and New Source Review Committee. In addition, I
714 served for two decades as Delaware's director of air quality.
715 My testimony today reflects years of experience working with
716 the Clean Air Act in east and west, and many years of issuing
717 permits in attainment and nonattainment areas. Thank you for
718 the opportunity.

719 Since the Clean Air Act was last amended 35 years ago,
720 it has prevented literally hundreds of thousands of premature
721 deaths, as well as averted millions of incidents of morbidity
722 including, for example, heart disease, cancer, chronic
723 bronchitis, and asthma. We have accrued these health
724 benefits cost effectively as our nation's gross domestic
725 product has grown. Therefore, as the committee considers
726 revising the Clean Air Act, it is important to remember those
727 outcomes.

728 Will the proposed revisions continue to preserve the
729 substantial public health benefit from pollution reduction
730 while accommodating economic growth, or will they break that
731 fundamental tenet? I will start with New Source Review
732 Permitting Improvement Act.

733 The proposed changes are concerning in several ways, and
734 would not improve overall efficiency of permitting by states
735 because of added complexity. Many facilities are not
736 equipped with continuous emission monitoring, and assessing
737 accurate emissions on an hourly basis in such an instance may
738 require producing multiple other records such as production
739 rates, material usages, control equipment, operating records,
740 and much more. The permitting agency will need to review and
741 accept the data as valid before it can decide that the future
742 emissions will not be higher than the historical data.

743 The proposed language in (ii) exempts modifications that
744 will restore, maintain, or improve the reliability of
745 operations at or the safety of the source. It is hard to
746 imagine any modification at any source that would not qualify
747 under this exemption. This Act, as written, would likely
748 exempt all existing facility changes from review. This could
749 therefore allow considerable air quality degradation and
750 public health impact. I have gone in more detail in my
751 written testimony.

752 The FIRE Act contains a few ambiguities. I support

753 increased pace and scale of prescribed fires as a wildfire
754 mitigation tool, but this bill's reach goes beyond that --
755 the title. These proposed changes appear to be an attempt to
756 allow rebranding of poor air quality by excluding data that
757 may have been caused by stagnation, hot days, or dry days,
758 which are the exact condition when we experience air
759 pollution. The implication is that air quality agencies will
760 need to concern themselves with providing good air quality on
761 good days. This feeds into the mistrust that the public and
762 certain advocacy groups have voiced in the process of
763 exceptional events altogether.

764 I have gone into a bit of detail on Oregon's West Bend
765 pilot project in my written testimony. I will be happy to
766 share our experience with the committee. NAAQS compliance is
767 not the barrier to expanded wildfire mitigation, and I urge
768 the committee to consider including funding and resources for
769 planning, outreach, and engagement activities including
770 adequate resourcing of Federal, state, and local partners
771 involved in this work.

772 The RED TAPE Act implies that it intends to eliminate
773 duplicative reviews. However, it removes all environmental
774 impact reviews of subsequent Federal actions that may flow
775 from the legislation. The consequences of this could be a
776 late realization of environmental impact, delays in
777 permitting, and cost overruns.

778 The FENCES Act includes -- introduces significant
779 complications of -- for administering a permitting program,
780 which I presume are unintended. Essentially, a new permit
781 cannot be issued to any facility under this construct, no
782 matter how well controlled, because the background
783 concentration already exceeds NAAQS and attainment permitting
784 rules cannot allow that.

785 Finally, Air Permitting Improvement to Protect National
786 Security Act provides a waiver for offsets required to the --
787 required in the nonattainment areas. Like my comments on the
788 New Source Review Permitting Act, I believe that the proposed
789 bill, if adopted, would have unintended consequences.
790 Emissions from a small -- a source that receives a national
791 security waiver may push an airshed further into
792 nonattainment, triggering more stringent requirements like
793 increased offset ratio and additional regulatory burdens.

794 In conclusion, the proposed amendments fail to preserve
795 the fundamental tenets of the Clean Air Act, which is to
796 protect public health while providing opportunity for
797 economic growth. The proposal allows significantly more
798 pollution by introducing new off-ramps and exemptions. We
799 can do better to improve the processes instead of focusing on
800 off-ramps, so I think we must do it.

801 I am happy to engage with the committee with additional
802 suggestions. Thank you for the opportunity to testify and I

803 am happy to answer questions.

804 [The prepared statement of Mr. Mirzakhali follows:]

805

806 *****COMMITTEE INSERT*****

807

808 *Mr. Evans. [Presiding] Thank you.

809 Mr. Woods, you are now recognized for your five minutes
810 of testimony.

811

812 STATEMENT OF CLINT WOODS

813

814 *Mr. Woods. Chairman Palmer, Ranking Member Tonko, and
815 members of the subcommittee, thank you for the opportunity to
816 be here. My name is Clint Woods, and I have the privilege to
817 serve as the commissioner for the Indiana Department of
818 Environmental Management, or IDEM, an agency of nearly 800
819 tremendous public servants who are on the front lines of
820 implementing Federal and state environmental laws and
821 regulations for air, land, and water quality.

822 I want to thank you for the attention of the
823 subcommittee on this important topic, and I also want to
824 express my appreciation for the hard work, professionalism,
825 and dedication of your staff. I had the honor of serving for
826 several years in this building as a professional staff member
827 with the Committee on Science, Space, and Technology, and the
828 opportunity to find bipartisan solutions for environmental
829 policy is one that I think all the panel members would
830 strongly agree with.

831 In my testimony I would like to highlight four things.

832 One, I am still relatively new in my role and new to

833 Indiana, so the Hoosier humility hasn't rubbed off on me yet,
834 so I want to brag a little bit about incredible success that
835 we have in state permitting efficiency and striking the right
836 balance between environmental protection and economic
837 prosperity, and also the incredible progress that Indiana, as
838 a microcosm for the U.S., has had in improving air quality,
839 and to underscore the point that one of the primary ways to
840 get to permitting reform and from gridlock to growth is, in
841 many ways, to get the Federal Government out of the way.

842 Secondly, I wanted to emphasize four key issues with our
843 existing Clean Air Act that don't match the current
844 environment for improved air quality.

845 Third, I would like to describe how the bills being
846 considered today will help address those issues.

847 And finally, discuss a few common-sense areas where
848 there may be opportunities for bipartisan collaboration.

849 As you all know, the Clean Air Act is built on a model
850 of cooperative federalism between the U.S. Environmental
851 Protection Agency and state and local agencies, with Congress
852 repeatedly in amendments to the underlying Act recognizing
853 that "air pollution prevention and air pollution control is
854 the primary responsibility of states and local governments."
855 That is certainly true in Indiana, where we have the primary
856 responsibility for implementation of the Federal Clean Air
857 Act, including nearly all monitoring, planning, permitting,

858 compliance, and enforcement for air quality on behalf of
859 Hoosiers. For us that means 100 percent of key air permits
860 in the state and over 99 percent of Clean Air Act compliance
861 and enforcement activities are conducted by IDEM versus U.S.
862 EPA.

863 And IDEM succeeds in that permitting. We beat state
864 permitting deadlines by roughly 50 percent, issuing air,
865 water, and land permits in a few short months compared to the
866 years it often takes in other states. Our air permitting
867 program, despite having more industrial sources than nearly
868 any other state in the country, has the lowest permit renewal
869 backlog among industrial states, as well as a robust public
870 and well-supported process for developing, reviewing, and
871 issuing permits under the Clean Air Act.

872 In part two to this environment, Indiana ranks the top
873 state in the country for manufacturing per capita, as well as
874 the manufacturing share of GDP near the top and future
875 economic outlook, and forecast nearly \$100 billion in
876 additional economic value for Hoosiers from the artificial
877 intelligence investments over the next decade. We intend to
878 continue as a beacon of investment for artificial
879 intelligence, manufacturing, transportation, agriculture, and
880 life sciences. And while we are currently the world's
881 capital of production of key products including RVs and ducks
882 and popcorn and pontoon boats and goldfish and high school

883 basketball, we intend to expand that list in the coming
884 years.

885 State-led implementation of the Clean Air Act has served
886 our country incredibly well, and one of the greatest stories
887 seldom told is the monumental improvement in ambient air
888 quality and emissions, progress that outpaces the rest of the
889 world. For example, in Indiana we meet or exceed nearly all
890 National Ambient Air Quality Standards, or NAAQS.

891 These trends have actually accelerated. For example,
892 since 2002 aggregate emissions of criteria air pollutants
893 like ozone, particulate matter, and lead have fell in Indiana
894 by more than 65 percent. Sulfur dioxide concentrations in
895 southwest Indiana have dropped by nearly 80 percent just
896 since 2013. And that is -- extends to the United States.
897 For population-weighted fine particulate matter levels, which
898 is usually a surrogate for air pollution, we actually have
899 levels that are less than a quarter of the global average.
900 So we are talking about setting standards between 12 and 9
901 micrograms. The global average is above 30.

902 As you consider important changes to modernize the Clean
903 Air Act, including those that create unnecessary permitting
904 delays, there are four issues I would like to highlight with
905 the Act.

906 First, it is desperately in need of overhaul and
907 modernization. Although it has served us very well, many

908 provisions have fallen into disrepair and obsolescence.

909 Second, all too often in the past U.S. EPA has second-
910 guessed state plans, permits, and demonstrations, including
911 when such oversight is not timely or is not grounded firmly
912 in the Clean Air Act.

913 Third, EPA has often failed to incorporate, consider, or
914 address the growing role of significant air pollution
915 concentrations from background, natural, international, fire,
916 geographically distinct, and mobile sources.

917 Finally, EPA relies on a two-tiered permitting system
918 that discourages investment in new or modified facilities
919 that emit less air pollution, and it also creates perverse
920 incentives for older, grandfathered facilities. H.R. 161 and
921 recent EPA changes would go a long way to address that two-
922 tiered system.

923 Similarly, the FIRE Act would remove important confusion
924 that currently exists that limits the applicability of
925 regulatory relief for Clean Air Act provisions on exceptional
926 events.

927 The FENCES Act would take many important steps to
928 clarify Clean Air Act provisions to avoid unnecessary
929 penalties in areas like northwest Indiana where they would
930 have attained the NAAQS but for international contributions.

931 My written testimony contains a number of other examples
932 of potential opportunities for common-sense and bipartisan

933 agreement to modernize the Clean Air Act. Our agency stands
934 ready to assist this subcommittee as it considers the
935 important legislative changes.

936 I look forward to your questions.

937 [The prepared statement of Mr. Woods follows:]

938

939 *****COMMITTEE INSERT*****

940

941 *Mr. Evans. Thank you. The chair now recognizes the
942 chairman of the full committee, the gentleman from Kentucky,
943 Mr. Guthrie, for --

944 *The Chair. Hi, thanks --

945 *Mr. Evans. -- his five minutes of questions.

946 *The Chair. Mr. Seiden, I want to start with you. We
947 are talking about permitting reform, and I think we are going
948 to work together on permitting reform across the aisle. The
949 question -- the issue is permitting reform means a lot of
950 things to a lot of people. You can permit -- we permit a lot
951 of things at the Federal level.

952 So I guess my question is, permitting for energy -- we
953 want to permit because we need more energy and we want to
954 bring back manufacturing. So how significant is the Clean
955 Air Act's role in the permitting process in a business
956 decision to invest in building?

957 Can we have meaningful permitting reform without
958 modernizing the Clean Air Act?

959 *Mr. Seiden. Mr. Chair, thank you, Mr. full committee
960 chair. The answer -- great question -- the answer is I don't
961 believe you can have long-term certainty without reforming
962 and modernizing the Clean Air Act because, again, there is
963 little things we can do. And we are seeing it, and they are
964 exciting, and they are hopeful. The -- this leadership team
965 at the EPA right now has provided hope and pathways for some

966 of my members in Arizona, as well as, I would argue, around
967 the country.

968 However, there is no certainty that in the next
969 administration that will still be there. So one of the most
970 meaningful and significant ways you can lock down long-term
971 investment is provide the certainty and the regulatory
972 environment that we could have. And I think the investment
973 would follow very soon after that. People will feel
974 comfortable. The delays would go away.

975 So while there is things you can do and you can nip
976 around the edges, the Clean Air Act should be modernized. It
977 should be changed to reflect what we have learned, what
978 science has taught us, and where we are now, and that will
979 trigger more investment and allow us to compete better with
980 the rest of the world.

981 *The Chair. Thank you.

982 And Mr. Woods, I -- so I know one of my good -- my great
983 colleagues, Mr. Westerman, Chair Westerman, is working on
984 NEPA reform. A lot of people think NEPA reform is permitting
985 reform, so I kind of have the same theme.

986 So the NEPA process, it has to have more -- we have to
987 have reforms to the Clean Air Act, generally. Would you
988 comment on that, as well?

989 *Mr. Woods. Yes, I agree wholeheartedly with that
990 sentiment.

991 I think it is -- you know, 35 years is a long time.
992 There is a lot of concepts. There is a lot of technology and
993 ability to model and understand where the contributions to
994 potential nonattainment areas come from. The tools need to
995 be updated. And while I think the Clean Air Act has served
996 us extremely well, I think there is a number of changes,
997 including invigorating some of those provisions for
998 regulatory relief related to international transport,
999 exceptional events, rural transport areas, but also how EPA
1000 sets standards, designates areas of attainment and
1001 nonattainment, and reclassifies areas are desperately in need
1002 of a 21st century vision that I think some of the bills under
1003 consideration today would go a long way towards.

1004 *The Chair. All right, thank you.

1005 And Ms. Kunz, in Micron's experience, how essential is
1006 clean air permitting reform to your continued expansion and
1007 race to win the -- for AI dominance?

1008 And what risk does our country face if Congress fails to
1009 modernize the Clean Air Act?

1010 *Ms. Kunz. Thank you, Chairman.

1011 What we have experienced on our end is a lengthy,
1012 duplicative permitting process. In fact, in our -- one of
1013 our key investments within New York we have undergone
1014 environmental permitting for the last two-and-a-half years.
1015 So what we are looking for is meaningful, streamlined, and

1016 reform in this space that will allow us to enable our
1017 investments from -- everything from construction start to
1018 operations. By streamlining this we can continue to
1019 modernize our facilities and be at the backbone of
1020 semiconductor manufacturing here within the United States.

1021 *The Chair. Okay, thank you.

1022 And Mr. Gebbia, this committee has recognized the need
1023 for increased -- almost all of our hearings -- about energy
1024 production to fund -- to fuel demand for AI and to beat China
1025 to AI. So what impact does regulatory uncertainty have on
1026 your industry and its ability to meet the increased demand?

1027 And why is permitting reform necessary to ensure the
1028 Clean Air Act reflects technological developments -- is not
1029 an impediment to needed energy infrastructure?

1030 *Mr. Gebbia. Thank you, Chairman.

1031 This committee has been doing some outstanding work on
1032 trying to evaluate these issues, and the need is current and
1033 in front of us, that without certainty we go through an
1034 entire permitting process and then have confidence to deploy
1035 capital. Just by driving the durable policy and regulatory
1036 certainty that this committee is working on, it provides the
1037 opportunity to speed up significantly our ability to deploy
1038 power generation behind the meter, particularly to support
1039 the AI race.

1040 *The Chair. Okay, so -- and Mr. Woods, in your

1041 experience in the 309 review process where EPA does secondary
1042 review, is this still necessary?

1043 And how do you respond to testimony we have heard today
1044 on the RED TAPE Act?

1045 *Mr. Woods. Yes, I think it is not necessary in its
1046 current form. I think it adds very little value. And
1047 frankly, there is not clear criteria for EPA to provide that
1048 feedback on other Federal agency actions. It often serves as
1049 another source of delay, and often duplicates processes that
1050 we have at other state and Federal levels. So I think there
1051 is a real opportunity with that bill to clarify and provide
1052 reduced red tape that will allow us to get to a more clear
1053 vision for the future and EPA's role in weighing in on other
1054 Federal agency actions.

1055 *The Chair. Thank you. I appreciate all of you for
1056 being here, and we really do want this committee and all of
1057 us to find common ground together. So thank you for being
1058 here, and we look forward to continuing the work after this
1059 hearing.

1060 Thank you, and I yield back.

1061 *Mr. Evans. The gentleman yields. The chair now
1062 recognizes the ranking member of the committee, Mr. Tonko,
1063 for his five minutes.

1064 *Mr. Tonko. Thank you, Mr. Chair. I would like to
1065 reiterate my overall concerns about these bills, but I would

1066 try to focus my questions on the Air Permitting Improvements
1067 to Protect National Security Act.

1068 As I stated in my opening statement, I want to see
1069 advanced manufacturing facilities built in our United States.
1070 They are a huge part of upstate New York's near and long-term
1071 economic development strategy. But it has to be done the
1072 right way. And creating a non-transparent presidential
1073 exemption process, as proposed in the discussion draft, is
1074 simply not the right way.

1075 Seeing this proposal, I am reminded of EPA's actions
1076 earlier this year where the administrator created an email
1077 inbox and encouraged regulated entities to request a
1078 presidential exemption under section 124 of the Clean Air Act
1079 for standards related to hazardous air pollutants. Ms.
1080 Powell, have you been following that exemption process?

1081 *Ms. Powell. Thank you, Ranking Member Tonko. Yes,
1082 SELC has been following that process very carefully, and we
1083 have observed that over the last several months the President
1084 has exempted dozens of toxic air pollution-emitting
1085 facilities from control requirements. And this is especially
1086 concerning because it is done without any record of decisions
1087 so that people can see why it is being done. It is done
1088 without any public participation. And we are finding that
1089 the facts on the ground don't even support the exemptions.

1090 We have a facility in Georgia that is, according to the

1091 state, already fully complying with the Federal rule, and yet
1092 the exemption is issued on the basis that the technology is
1093 somehow not available. And so I 100 percent agree that the
1094 type of presidential exemption that is spelled out in the
1095 National Security Act is problematic, and it will put the
1096 public health at risk of being exposed to increased levels of
1097 air pollution that can cause devastating health problems.

1098 *Mr. Tonko. And in accordance with your response here,
1099 I believe that I can interpret that the exemption has the
1100 opportunity to be misused.

1101 *Ms. Powell. Absolutely. It has the opportunity to be
1102 misused because there is so little accountability in ensuring
1103 that there is even a reason for it to happen. And, of
1104 course, we are talking about communities where the air
1105 quality is already unsafe to breathe. That is the only time
1106 offsets apply.

1107 *Mr. Tonko. Well, giving the presidential discretion
1108 based on broad, undefined national security interests allows
1109 pollution sources to evade a formal process that would allow
1110 for public input and a transparent public record. Instead,
1111 we would be giving tremendous latitude to the president, who
1112 wouldn't even need to justify the decision to offer these
1113 exemptions.

1114 So Ms. Powell, again, do you believe the recent
1115 exemptions to facilities for various hazardous air pollutant

1116 standards provided a strong technical record or justification
1117 that the public could examine to understand why exemptions
1118 were granted?

1119 *Ms. Powell. The recent presidential exemptions have no
1120 technical record that is available. In fact, we have
1121 struggled to even get copies of the applications that the
1122 facilities have filed. And unbelievably, the state agencies
1123 that have primary authority to regulate those facilities also
1124 don't have the applications.

1125 *Mr. Tonko. I appreciate that.

1126 Mr. Mirzakhilili, generally do you have any potential
1127 concerns as a co-regulator that facilities located in your
1128 state may be escaping pollution standards without any
1129 oversight or opportunity to have the state's perspectives
1130 heard?

1131 *Mr. Mirzakhilili. Ranking Member Tonko, I presume you
1132 are referring to the -- that National Security Act. Again,
1133 we are fortunate in Oregon we don't have nonattainment. We
1134 are attainment for all pollutants. But certainly, I think
1135 what you would point out here in terms of facilities that get
1136 a waiver, whether it be a presidential waiver or a waiver
1137 from another requirement, it puts pressure on other
1138 facilities that don't qualify for a waiver. As the
1139 requirements for one facility is waived, the pollution
1140 doesn't go away, it goes back to the background. Then other

1141 facilities will have to make up the difference, and to -- in
1142 order for us to attain the standard. It just -- it is not a
1143 level playing field.

1144 *Mr. Tonko. And under this specific waiver proposal,
1145 can you talk about some of the potential unintended
1146 consequences?

1147 Could other facilities, for example, be required to
1148 reduce their emissions more or find more offsets to balance
1149 the exemptions provided to these favored industries?

1150 *Mr. Mirzakhilili. That is exactly right, and it is the
1151 subsidy that introduces here for one facility to do other --
1152 it is not a waiver from the state to meet the obligation to
1153 meet --

1154 *Mr. Evans. The chair would ask the witness to submit
1155 the answers for the record. Our five minutes has expired,
1156 unfortunately.

1157 [The information follows:]

1158

1159 *****COMMITTEE INSERT*****

1160

1161 *Mr. Evans. The chair recognizes the gentleman from
1162 Texas, Mr. Crenshaw, for his five minutes.

1163 *Mr. Crenshaw. I appreciate it, thank you, Mr.
1164 Chairman. Thank you all for being here.

1165 I just want to start off by saying if we want to beat
1166 China in the AI and advanced manufacturing race, we can't
1167 regulate ourselves into industrial decline.

1168 And the Clean Air Act's permitting system is indeed
1169 outdated. And projects that should be greenlit in months
1170 take years, if they happen at all. You know, companies that
1171 go beyond compliance to cut emissions, they get punished with
1172 additional red tape. And energy like natural gas that has
1173 lowered emissions, it becomes a boogeyman for the radical
1174 left. None of this over-regulation makes our air cleaner.
1175 It kills investment, it delays cleaner technology, and it
1176 drives industry overseas, stifling American job growth in
1177 these vital sectors and really just passing along pollution
1178 somewhere else.

1179 We have made enormous progress on clean air, I might
1180 add. I mean, emissions of the 6 criteria pollutants are down
1181 more than 70 percent since 1970. So we should be building on
1182 that success.

1183 And permitting reform, first of all, it does not tear up
1184 the Clean Air Act. It makes it work for today's challenges,
1185 and it restores some common sense. So the question is

1186 simple: do we want to lead the world in innovation and
1187 energy security, or do we want to follow Europe's path of
1188 over-regulation and decline?

1189 I will start with Ms. Kunz. You know, to lead in
1190 artificial intelligence and advanced manufacturing, you know,
1191 we can't afford to build factories at the speed of
1192 bureaucracy while China is building the speed of strategy.
1193 Now, from your perspective, how does permitting gridlock put
1194 U.S. innovation -- and therefore, national security -- at
1195 risk?

1196 *Ms. Kunz. From our experience and in our perspective,
1197 our projects have faced delay. And in some cases we have not
1198 been able to start meaningful construction, therefore delays
1199 in operations.

1200 Duplicative reviews at the state, local, and Federal
1201 level, along with lack of resourcing and modernization of
1202 tools create lengthy processes. And what we are asking is
1203 for review and streamlining the permitting application
1204 process for permits and those reviewing applications.

1205 *Mr. Crenshaw. I appreciate that.

1206 And Mr. Woods, I will move to you. Your testimony talks
1207 about how the EPA second-guesses a lot of state permitting
1208 decisions. How would common-sense reform that trusts states
1209 more instead of Federal micromanagement speed up clean air
1210 progress and investment at the same time?

1211 *Mr. Woods. Thanks so much, Vice Chairman. I think it
1212 is a great question.

1213 I think we are seeing some important changes right now
1214 with the new administration coming in. I think there is a
1215 couple of examples. So just this week, as a result of an AI
1216 roundtable, there was an announcement of a new policy --
1217 really, a re-adoption of an old policy at EPA -- related to
1218 second-guessing of states and permittees' applicability
1219 determinations for New Source Review, a great example.

1220 In my testimony I lay out a little bit more about how
1221 sometimes the title V review process that is overseen by EPA
1222 either to object or to grant third-party petitions to state-
1223 overseen permits expands issues that are not within that key
1224 provision of the Act, and that narrowing that review process
1225 would go a long way to ensure that you don't have delays in
1226 key projects, and that state-led, delegated programs that
1227 work effectively in providing environmentally protective and
1228 legally durable permits could move much more quickly. And so
1229 we are seeing that in real time, but I think some of the
1230 legislation discussed today could potentially really help to
1231 address that.

1232 *Mr. Crenshaw. Some of these -- on this duplicative
1233 process problem at the state and Federal level, do you have
1234 any examples on hand that we could put in for the record?

1235 *Mr. Woods. We do. I think of -- right now for us, for

1236 example, the 2024 fine particulate matter standard of nine
1237 micrograms really serves as a limit to headroom. So while
1238 most of the state, we expect to be in attainment with that
1239 legally and scientifically dubious standard, it really limits
1240 the ability of new investment to come in, whether that is a
1241 data center, new energy generation, opportunity for advanced
1242 manufacturing. And so that really is a limiting factor in a
1243 state like ours that intends to be in full attainment with
1244 all National Ambient Air Quality Standards, and yet the lack
1245 of headroom under the revised standard is a serious issue for
1246 us and many other states around the country.

1247 *Mr. Crenshaw. Mr. Gebbia, the reason -- the Biden
1248 Administration imposed regulatory obstacles after regulatory
1249 obstacles on the economy, and we are seeing a lot of good
1250 reforms under the new EPA and under Lee Zeldin. What do you
1251 think this means?

1252 Are we seeing any -- are we seeing what this might mean
1253 for private investment into reliable energy infrastructure?

1254 And what would you prioritize for Congress to codify?

1255 *Mr. Gebbia. Yes, there has been some very helpful work
1256 done so far. But as we have recently talked on this panel,
1257 congressional action will provide that permanence.

1258 Some of the key issues that the Administration is
1259 looking into -- really, a big one is being able to begin
1260 construction ahead of receiving a permit. This is not

1261 changing the environmental outcome of anything, we are just
1262 -- it is adding time to the construction and being able to
1263 bring projects into service. So taking a look not only from
1264 a regulatory action, but also from congressional action on
1265 that issue could be extremely helpful.

1266 *Mr. Crenshaw. Well, and maybe you can send it to us
1267 later, but examples of that would be very helpful. Thank
1268 you.

1269 *Mr. Evans. The gentleman yields.

1270 Votes have been called on the House floor, so the
1271 subcommittee stands in recess. We will reconvene 10 minutes
1272 after the final vote is called. The committee is in recess.

1273 [Recess.]

1274 *Mr. Evans. The subcommittee on the Environment in the
1275 Energy and Commerce Committee will now reconvene.

1276 The chair recognizes the gentlelady from Illinois, Ms.
1277 Schakowsky, for her five minutes of questioning.

1278 *Ms. Schakowsky. Thank you, Mr. Chairman.

1279 So there are almost 100,000 people in the United States
1280 of America who die because of air pollution. That is a lot
1281 of people. And I don't quite understand why it is so
1282 important that we deal with this particular piece of
1283 legislation and a very narrow view of how does a particular
1284 kind of a business needs to be done and add to the pollution
1285 that kills almost 190,000 people.

1286 I mean, we also have other ways of getting the important
1287 work done, but not for these particular witnesses who are
1288 here today who need to do it in a different way. And I don't
1289 understand. I really don't understand why it is not the
1290 number-one priority to try and keep people -- children,
1291 adults, older people -- safer so that they don't end up being
1292 sick and dying. I really don't understand the priorities
1293 that are being set here, and those that are left out of
1294 thinking about what are the consequences of this kind of
1295 work.

1296 So I wanted to ask Mr. Ali -- if I could use your --
1297 that name, are there going to be more people who get sick and
1298 perhaps even die by making this change in what is the
1299 priority in our manufacturing?

1300 *Mr. Mirzakhali. Representative, thank you for the
1301 question, and I appreciate you highlighting the problem here.
1302 That is highly essential for us to consider.

1303 The Clean Air Act, as we have mentioned, has saved
1304 hundreds of thousands of lives. This is -- we are talking
1305 about increased pollution that can harm people that is being
1306 called exemption waiver. It just contributes to additional
1307 pollution we are trying to allow.

1308 And it is interesting to note that both Ms. Kunz and
1309 Seiden's facilities, although they are complaining about the
1310 permitting process, they have the permits. They obtained the

1311 permits for the facilities, they built it, they are operating
1312 within the compliance with the Clean Air Act. So it works.
1313 I appreciate the fact that it is hard and it has been a
1314 painful process. So we need to focus on process and process
1315 improvement, and I am all eager to engage in that. I think
1316 state agencies are eager to engage in that.

1317 How do we do things better? How do we issue permits in
1318 a shorter time period, not to have -- you know, we, out of
1319 frustration, exempt facilities from permitting requirement.
1320 We create off-ramps and waivers for things that are necessary
1321 to protect public health. So this is essential, and I think
1322 it is the crux of the matter, and I think you hit the nail on
1323 the head that we need to make sure these exemptions, these
1324 processes, these bypasses cause excess pollution.

1325 Excess pollution, particularly some of them in -- as Ms.
1326 Powell points out here in the testimony, it is in areas that
1327 are already polluted, and people are suffering from the
1328 consequences of unhealthful air.

1329 *Ms. Schakowsky. I appreciate your comment.

1330 I wanted to ask Ms. --

1331 *Voice. Powell.

1332 *Ms. Schakowsky. Powell?

1333 *Voice. Powell.

1334 *Ms. Schakowsky. Yes, okay, Ms. Powell, and I
1335 appreciated your presentation very much. I wanted to ask

1336 you. My understanding is that the EPA has a way of helping
1337 companies and working in a way that ends up with -- I mean,
1338 work still happens, but we can make it safer, and that there
1339 is a way that the EPA helps encourage that. Is that not
1340 true?

1341 *Ms. Powell. That is absolutely true. I used to work
1342 for EPA, and I worked together with technical staff at EPA to
1343 issue permits for some types of facilities. And we routinely
1344 answered questions of the applicants and helped them through
1345 the process. I know state and local agencies that have
1346 permitting authority do the same thing.

1347 *Mr. Evans. Thank you, and the time has expired. I now
1348 recognize myself for my five minutes of questioning.

1349 Mr. Woods, my first question will be to you. In
1350 Colorado we know that roughly 70 percent of the emissions in
1351 the State of Colorado don't originate from the State of
1352 Colorado. And so when through things like the Clean Air Act
1353 we heavily regulate the economy, we are not actually getting
1354 to the root of the problem, which is where these emissions
1355 are coming from. And what we end up doing is regulating the
1356 economy, losing jobs, losing the cost of living that is so
1357 important to people which has negative outcomes for folks,
1358 because if they don't have the money they are not going to go
1359 get preventative care, they are going to delay going to the
1360 doctor, health outcomes go down.

1361 And so the question to you is, if you were in our
1362 position, what reforms would you prioritize in the permitting
1363 process so that our economy isn't strangled by events outside
1364 of the control of whatever the particular jurisdiction is?

1365 *Mr. Woods. Thanks so much for the question. I think
1366 it is a really timely one, and one that is not limited to
1367 Colorado, and where I think there are national solutions that
1368 already exist within the Clean Air Act but also could be
1369 invigorated with action by this body.

1370 So I will say we are very similar in northwest Indiana.
1371 I mentioned previously we have got 3 parts of our 92 counties
1372 that are in partial nonattainment with ozone or sulfur
1373 dioxide standards. And at least for northwest Indiana, of
1374 the standard of 70 parts per billion, between 4 and 13 parts
1375 per billion come from local sources that my agency regulates.
1376 The rest comes from international and interstate, from upwind
1377 states, but also from natural and biogenic and, increasingly,
1378 from fire sources.

1379 There are provisions in the Act to address exceptional
1380 events that are becoming increasingly unexceptional,
1381 including our ability to characterize wildfire contributions.
1382 There are provisions that allow to -- you to address the
1383 contributions of international, where you would have attained
1384 the standard but for those international contributions. And
1385 we are increasingly able to say 10, 15, 20 parts per billion

1386 of a 70-part-per-billion standard comes from those
1387 international and boundary conditions. So I think there is
1388 an opportunity to utilize those tools.

1389 I also think resources of state agencies are probably
1390 another area where -- categorical grants for cooperative
1391 federalism. It is a very minor investment, but the certainty
1392 that comes with authorization of those appropriations that
1393 hasn't happened this century is absolutely critical for your
1394 state permitting authorities with some light oversight. But
1395 also, helpful guidance from EPA can really invigorate those
1396 permitting programs to get improved environmental outcomes,
1397 but also improved economic activity in states like Colorado.

1398 *Mr. Evans. Thank you so much.

1399 Mr. Seiden, the next question goes to you. Colorado,
1400 Arizona, obviously we have some similar situations going on
1401 there. I think back to what the chair of our -- I guess he
1402 is executive director -- of our regional Air Quality Council
1403 said talking about ozone nonattainment, where he said, "We
1404 could get rid of driving, we could get rid of oil and gas in
1405 the State of Colorado, and we still wouldn't meet our
1406 summertime ozone standards.'"

1407 And so my question to you, representing a lot of
1408 economic interests which, of course, as we have talked about,
1409 leads to improved health outcomes for folks when they have
1410 the resources to be able to go get that early and

1411 preventative care, what happens to the economy of a region
1412 when you have this heavy hand of regulation that doesn't
1413 actually clean up the environment because it is targeting the
1414 wrong emissions? What happens to the jobs and to the
1415 economy?

1416 *Mr. Seiden. Mr. Chair, thank you for the question, and
1417 you are absolutely right. What happens is very simple.
1418 Capital always goes where it is most wanted and stays where
1419 it is most welcome. So if you have an uncertain regulatory
1420 environment, that capital will go elsewhere. We will lose
1421 these jobs.

1422 And if they were to -- I am a competitive person -- if
1423 they were to go to another state, I would be -- grudgingly
1424 would tip my hat to that state and that governor. But what
1425 we are seeing happen is often they are going to other
1426 countries that have lower standards. We are seeing them go
1427 to places where we don't track the pollution as well.

1428 And then the worst part of that all is we know it still
1429 ends up in our region, and that is something that Colorado
1430 and Arizona have in common. We are in that western region
1431 where the -- this international transport is coming from
1432 areas we can't control. And so again, we are -- have a
1433 perverse incentive to manufacture outside of our country,
1434 take our jobs away, yet also make our air worse.

1435 *Mr. Evans. Thank you. I got one minute left.

1436 Mr. Gebbia a final question to you. We just heard that
1437 when you have this heavy hand of regulation that doesn't
1438 actually target the actual source of these emissions, with
1439 much of it coming from overseas and international transport,
1440 we are strangling our own economy and we still don't get
1441 clean air out of it. So is there anything Congress can do to
1442 make sure that states aren't intentionally ignoring existing
1443 waiver processes or exceptions to the Clean Air Act around
1444 certain industries, regulated industries like natural gas?

1445 Thirty-one seconds.

1446 *Mr. Gebbia. Thank you for the question.

1447 The Clean Air Act has been extremely successful in what
1448 has been achieved to date. But the issues we are talking
1449 about today are really New Source Review, which is stationary
1450 sources, where most of those emissions have been reduced over
1451 time. So it is getting to the point of diminishing returns,
1452 and I think Congress can take action to help solidify ways to
1453 reform New Source Review to help facilitate expansion of
1454 projects and focus on the environmental outcome of them.

1455 *Mr. Evans. Thank you so much. My time has expired,
1456 and the chair now recognizes the gentleman from New Jersey,
1457 the ranking member of the full committee, Mr. Pallone, for
1458 his five minutes.

1459 *Mr. Pallone. Thank you, Mr. Chairman.

1460 The bills before us today paint the picture that the

1461 only way we can build things in America is if we exempt
1462 various polluting industries from environmental laws, permit
1463 by permit. But I think that is a false choice. And contrary
1464 to the history of the Clean Air Act, we know that we can have
1465 a clean environment and a booming economy. And to say
1466 otherwise is to doubt American innovation and to put
1467 communities living in areas with toxic air pollution at great
1468 risk. So I have three questions.

1469 First is of Ms. Powell. Why is effective permitting so
1470 critical to the success of the Clean Air Act?

1471 And in your experience, what is causing permitting
1472 delays for major projects, if you will?

1473 *Ms. Powell. Thank you for the question, Congressman.

1474 Permitting is incredibly important in achieving the
1475 Clean Air Act's goals because it is really how the standards
1476 are set for most facilities. You can have the best rules,
1477 the best statute, but if you don't have robust permitting the
1478 public is not going to receive the promises of the Clean Air
1479 Act for healthy air quality.

1480 As far as what causes delays, there are myriad things
1481 that might cause delays that often don't even have to do with
1482 anything in the Clean Air Act, but sometimes companies will
1483 put blame on that.

1484 Another thing that will happen is that companies won't
1485 file complete permit applications or supplement the record

1486 with information that they need to provide. My experience is
1487 that companies that are serious about complying with the
1488 Clean Air Act and not trying to skirt its requirements, they
1489 eventually get their permits and the investment in time up
1490 front helps ensure that they are solid, protective permits
1491 that are less likely to be struck down when they are
1492 challenged if they have been done properly and with proper
1493 public participation.

1494 *Mr. Pallone. All right, thank you. My second question
1495 is of Mr. Mirzakhilili.

1496 You have extensive experience running state-level Clean
1497 Air Act permitting programs. And are these broad exemptions
1498 necessary, or can we have a permitting system that works for
1499 industry while adhering to environmental safeguards?

1500 *Mr. Mirzakhilili. We absolutely can have a system that
1501 operates without those exemptions. The exemptions do nothing
1502 but complicate applicability determinations.

1503 The first argument shouldn't be whether or not something
1504 is subject to the rule, and that is where we spent a lot of
1505 time upfront. Who is subject to the rule? Are their hourly
1506 emissions higher or lower? Is the actual to -- what is the
1507 future actual of the emissions look like, and what is that --
1508 if it does happen in the future, what is that future action?
1509 How do you calculate that? How do you make that enforceable?
1510 So that adds a tremendous level of complexity to the process

1511 that is unnecessary.

1512 If we clarify who is subject to the rule, and then focus
1513 on streamlining and making the process easier to get through
1514 it -- and there is a number of recommendations I could make
1515 to make that happen. But yes.

1516 *Mr. Pallone. All right. Well, thank you, because,
1517 yes, I am concerned that Republicans push for so-called
1518 permitting reform legislation, but that is not happening in a
1519 silo. The Trump Administration has been busy trying to roll
1520 back and undermine the PM 2.5 NAAQS standard and other
1521 protections that ensure Americans have safe air to breathe,
1522 and I think we have to consider all of these actions as we
1523 evaluate these bills.

1524 But let me go back to Ms. Powell. Taken collectively,
1525 how will the Administration's proposal to weaken the PM 2.5
1526 NAAQS standard, along with additional rollbacks and
1527 exemptions being proposed in the legislation before us,
1528 impact the health and safety of communities around the
1529 country?

1530 *Ms. Powell. These rollbacks will undoubtedly harm
1531 public health. Fine particulate matter is among the most
1532 deadly of air pollutants. These particles are so small that
1533 they wedge their way deep into people's lungs and into their
1534 bloodstreams. They can lead -- they have been associated
1535 with stroke, heart disease, developmental delays in children.

1536 So rolling back these requirements is a really serious threat
1537 to public health.

1538 *Mr. Pallone. I appreciate that because, look, I think
1539 everyone has the right to clean and healthy air to breathe.
1540 But the Republican bills would undermine that right and, once
1541 again, put the well-being of corporate polluters over the
1542 American people.

1543 And the Clean Air Act works because of its health
1544 protection standards and enforcement and permitting programs,
1545 not despite them, frankly. So -- and that is why I oppose
1546 the bills before us today.

1547 I yield back, Mr. Chairman.

1548 *Mr. Evans. The gentleman yields. The chair now
1549 recognizes the gentleman from Texas, Mr. Pfluger, for five
1550 minutes.

1551 *Mr. Pfluger. Thank you, Mr. Chairman.

1552 Mr. Woods, thank you for joining us. Your testimony
1553 highlights how states can be unfairly penalized for air
1554 pollution that they can't control, whether it drifts across
1555 borders, international state borders, a number of things.
1556 Whether it stems from wildfires, natural sources, the Foreign
1557 Emissions and Nonattainment Clarification for Economic
1558 Stability, or the FENCES Act, aims to correct that problem by
1559 making sure that states aren't labeled as nonattainment when
1560 the pollution is literally out of their hands.

1561 And your testimony points out that nonattainment
1562 designations can delay permits, hurt economic growth, and
1563 don't actually get after the problem that they are trying to
1564 solve. So I want to ask a couple of questions.

1565 How would clarifying section 179(b), as the FENCES Act
1566 proposes, reduce permitting delays or protect the environment
1567 better than what we are actually doing right now?

1568 *Mr. Woods. It is a great question, and I apologize in
1569 advance for perhaps being a little bit long-winded. This is
1570 something I am very passionate about, and I think the bill
1571 goes a long way to clarify this provision that allows for
1572 state agencies like ours to capture the right moment.

1573 So as EPA thinks about international background, other
1574 sources that are outside the control of a local agency as the
1575 primary regulator of air quality, there are several points in
1576 which the agency could consider it: when it sets the
1577 standards, when it does designations of an area initially,
1578 when it looks at redesignating those areas into attainment or
1579 nonattainment, when it reclassifies.

1580 As my testimony lays out in great detail, as you get in
1581 nonattainment and then higher classifications for marginal to
1582 moderate to serious to severe to extreme, the penalties on
1583 permitting, on transportation funds and transportation
1584 conformity, on fuel requirements become much, much more --
1585 much more heavy-handed, and can just devastate and strangle

1586 economic growth, and are really at the core of the permitting
1587 issue. So we want the whole country to be in attainment, but
1588 the 179(b) provision is actually to avoid getting bumped up
1589 beyond marginal to those more significant penalties.

1590 So in this case I think the provision clarifies and this
1591 bill would clarify for EPA what I think they could do
1592 already, which is to grant demonstrations by states that show
1593 that they would have attained but for those international
1594 contributions. So when we are talking about 5, 10, 20 parts
1595 per billion of a 70-part-per-billion standard coming from
1596 Canada, Mexico, Asia, and elsewhere, that is what puts you
1597 over the top to a 72 or 75-part-per-billion design value, and
1598 would have an incredible impact on the opportunities for
1599 eliminating those delays in permitting economic activity and
1600 innovation that would also bring down emissions overall.

1601 *Mr. Pfluger. The fearmongering that we just heard and
1602 the lack of actual work with industries that do want to
1603 comply with this type of thing -- and I can point back to a
1604 variety of visits, including the region 6 director under
1605 President Biden who came to my area and was amazed at the
1606 monitoring that we actually had out there, but they never
1607 once thought -- and especially when they lowered the parts-
1608 per-million requirement, they never -- through a rule, just a
1609 unilateral rule -- they never once thought about talking to
1610 industry. So they are actually not solving the problems, and

1611 we want to be realistic about it.

1612 Let me -- I will turn to Ms. Kunz and talk about
1613 infrastructure and the AI game that we know is here. And,
1614 you know, just looking at the data centers, the semiconductor
1615 facilities, and other advanced manufacturing, we have heard
1616 from several witnesses that the current Clean Air Act
1617 permitting, especially the prevention of significant
1618 deterioration in the title V requirements, can add years to
1619 project timelines. And I would like to hear your thoughts
1620 about -- Micron is building multiple large semiconductor
1621 fabrication facilities across the country.

1622 How can the Clean Air Act permitting timelines influence
1623 the schedule and the cost of these projects while not
1624 necessarily achieving the desired goals?

1625 *Ms. Kunz. Yes, thank you, Congressman. From this
1626 perspective what we have seen is a lengthy environmental
1627 permitting and review process that -- where we have
1628 duplicative reviews in some cases, we have interagency
1629 coordination of up to tens of agencies where it -- often
1630 times we may receive conflicting guidance.

1631 So within this, to streamline that process and remove
1632 those particular barriers within the application process
1633 itself would be critically important to ensuring that we can
1634 start construction on time and deliver for our operational
1635 needs that will ultimately bring products, our product, to

1636 market for everything from automobiles to electronics to AI.

1637 *Mr. Pfluger. You mentioned -- you described wildfire
1638 smoke as an uncontrollable factor in meeting the new PM 2.5
1639 standards. And I know this has been discussed already, but,
1640 you know, what kind of regulatory clarity or legislative
1641 action would help alleviate that?

1642 *Ms. Kunz. Thank you, Congressman. I mean, I think in
1643 this particular space we really need to look at codifying the
1644 definitions further of natural versus human-caused wildfire.
1645 These definitions will provide meaningful clarity to
1646 applicants and permittees.

1647 *Mr. Pfluger. Thank you.

1648 And Chairman, I think the work that the Chevron
1649 deference case had with clarity -- to this body, to be
1650 specific -- is really important. And I yield back.

1651 *Mr. Palmer. [Presiding.] The gentleman yields. The
1652 chair now recognizes the gentleman from California, Mr.
1653 Peters, for five minutes for his questions.

1654 *Mr. Peters. Thank you, Mr. Chairman. I am really glad
1655 there is so much bipartisan support in -- about permit
1656 reform, which is something I have been interested in and
1657 passionate about for a long time.

1658 I am really happy with the Fix Our Forests Act, which
1659 was co-authored by Chair Westerman and I. It makes strong
1660 permitting reforms to forest management practices and project

1661 litigation, increasing public participation and lowering air
1662 pollution. One of the concerns we have is underlying smoke
1663 pollution. That bill, assuming we had full attendance, was
1664 only two votes away from passing the House on suspension
1665 earlier this year, and I hope the Senate acts quickly to pass
1666 their version of the bill.

1667 Last Congress I worked with Senators Kelly and Cruz on
1668 the Building Chips in America Act, which passed the House
1669 with more than two-thirds of the vote, and was signed into
1670 law by President Biden. That bill provided permitting
1671 certainty to semiconductor manufacturers who are investing
1672 billions of dollars in America.

1673 And I was really happy to see the ePermit Act, my bill
1674 with Representative Johnson from South Dakota, being
1675 discussed last week in Natural Resources. That bill would
1676 digitize the permitting process and increase both
1677 transparency and efficiency.

1678 I spend a lot of my time talking and complaining about
1679 the National Environmental Policy Act, or NEPA, and the three
1680 bills I just described are great examples of very bipartisan,
1681 smart reforms. A core part of my argument for reform on NEPA
1682 is that it is a procedural act. As one of the witnesses
1683 said, it is a lot of paperwork. But it doesn't actually
1684 contain substantive environmental protections like the
1685 bedrock environmental laws, the Clean Water Act, the Clean

1686 Air Act, the Endangered Species Act. Those laws actually
1687 prescribe standards for compliance. They provide real
1688 protections against environmental harm. And so I am cautious
1689 about making changes to the standards, although I think I
1690 really would like to advance the speed. And I would like to
1691 work together as we go forward to make sure we do that.

1692 Ms. Kunz, I want to ask you. The bills before us are
1693 focusing on the -- on permitting under the Clean Air Act. My
1694 sense was that that wasn't really the issue that was causing
1695 your delays. Can you speak to the environmental laws that
1696 were causing the delays for your project?

1697 And maybe, if you have an opinion, about how the ePermit
1698 Act with some process reforms around deadlines and timelines
1699 could help you address those.

1700 *Ms. Kunz. Thank you, Congressman. From our
1701 perspective, the delays that we have seen to several of our
1702 projects are due to, large in part [sic], the environmental
1703 impact review process --

1704 *Mr. Peters. Right.

1705 *Ms. Kunz. -- as well as the duplicative and lengthy
1706 nature within that.

1707 And additionally, we have also seen long, complicated
1708 reviews as it pertains to the Clean Air Act, specifically
1709 within the permitting process itself.

1710 *Mr. Peters. Right.

1711 *Ms. Kunz. So when we look at that, we believe that
1712 there are ways to modernize the permitting process --

1713 *Mr. Peters. Yes.

1714 *Ms. Kunz. -- when an applicant is going through that,
1715 that they can use modern tools, electronic databases, to
1716 achieve accuracy and a more streamlined process.

1717 *Mr. Peters. Right. I am nervous about lowering
1718 standards. I want high environmental standards. But I see
1719 no reason why we can't get there much more quickly with a lot
1720 less drag on industry and the economy, and that is my goal.

1721 Mr. Mirzakhilili, based on your testimony it seems we
1722 both agree on the need to manage our forests, including using
1723 prescribed fire. Are there ways that the Federal Government
1724 can help reduce the regulatory burden on states that are
1725 trying to use prescribed fire as a wildfire tool?

1726 And do you have any opinion on whether the FIRE Act
1727 which we are discussing today addresses those challenges?

1728 *Mr. Mirzakhilili. Representative Peters, thank you for
1729 that question. And yes, there are -- we -- prescribed fires
1730 can help bring resilience to the landscape by a great deal.
1731 So we are working with our other agencies in Oregon to try to
1732 expand the use of prescribed fires.

1733 Where we run into trouble with the -- and right now the
1734 exceptional events exclusion is a tool for us --

1735 *Mr. Peters. Right.

1736 *Mr. Mirzakhilili. -- to reduce this, but it is
1737 complicated. That -- and for 24-hour designation we
1738 submitted about 100, the exceptional event submittals here to
1739 -- so legitimately.

1740 Then some of that is -- requires a -- almost a master's
1741 degree-level demonstration of submittal. It shouldn't be.
1742 There is a -- you know, my -- the fire is almost burning down
1743 my monitoring --

1744 *Mr. Peters. Yes.

1745 *Mr. Mirzakhilili. -- site, you know, it shouldn't
1746 require a whole lot of submission other than, you know, there
1747 -- so there is -- there are ways that EPA can improve the
1748 process of -- and ease the submittal of exceptional events
1749 and the burden for the agencies.

1750 There are also some that EPA considers not regulatorily
1751 significant, meaning it did not cause a -- the area to be in
1752 nonattainment. Therefore, you don't flag that. I think that
1753 is important to --

1754 *Mr. Peters. Okay --

1755 *Mr. Mirzakhilili. -- to exclude them, as well.

1756 *Mr. Peters. Sir --

1757 *Mr. Mirzakhilili. And that is an area that we need to
1758 focus --

1759 *Mr. Peters. Okay, great. I am out of time.

1760 I would just say, Mr. Chairman, I am reticent to lower

1761 standards, but I am anxious to accelerate deadlines and
1762 timelines, and I hope I -- we can work together on that. I
1763 yield back.

1764 *Mr. Palmer. I thank the gentleman for his questions.
1765 The chair now recognizes the gentleman from New Jersey, Mr.
1766 Menendez.

1767 *Mr. Menendez. Thank you, Chairman.

1768 The Clean Air Act helps our nation achieve both clean
1769 air and a strong economy. Permitting is a key component of
1770 this bedrock environmental law, moving industry forward while
1771 promoting healthy air quality. And before we get into the
1772 permitting part of this conversation, Ms. Powell, I quickly
1773 want to touch base on all the work that the Clean Air Act has
1774 done and the lives and health that has improved over the last
1775 several decades. Just quickly, would you agree that
1776 particulate matter is among the most dangerous forms of air
1777 pollution and is linked to many serious health problems
1778 including cancer, stroke, and heart disease?

1779 *Ms. Powell. Yes, absolutely.

1780 *Mr. Menendez. And has the Clean Air Act worked to
1781 reduce the volume of particulate matter in our air?

1782 *Ms. Powell. It has. It has been tremendously
1783 successful.

1784 *Mr. Menendez. And so we shouldn't take that success
1785 for granted.

1786 I think it is especially dangerous to think about any
1787 modifications to the Clean Air Act in this moment, because in
1788 this Congress alone Republicans have voted on a
1789 reconciliation bill that will take health care away from 15
1790 million people, many of whom rely on Medicaid and state-
1791 administered Medicaid programs to get their health care.

1792 So people that may need Medicaid to be their lifeline to
1793 health care may also be in communities that are overburdened
1794 by adverse environmental consequences like air pollution,
1795 particulate matter. And so it seems like an especially
1796 dangerous time to be making modifications to the Clean Air
1797 Act when you are thinking about potentially 15 million people
1798 losing health care. Would you agree with that?

1799 *Ms. Powell. I agree with that. And the fact that
1800 there is so many people that are at risk of losing health
1801 care or are inadequately getting health care right now means
1802 that they are more vulnerable to the effects of air
1803 pollution.

1804 *Mr. Menendez. That is right. And I think about -- I
1805 represent parts of Newark, including the Ironbound
1806 neighborhood. And what you see there in an overburdened
1807 community is the asthma rates among children. So as
1808 successful as the Clean Air Act has been, there is still an
1809 immense amount of work to do so we ensure that all
1810 communities and all children have clean air throughout this

1811 country. Would you agree with that?

1812 *Ms. Powell. I would absolutely agree with that. And
1813 we heard one testifier mentioning that there were diminishing
1814 returns from the Act. That is absolutely not true. The Act
1815 is as important now as it has always been.

1816 *Mr. Menendez. Yes, and I agree with that.

1817 In June Mr. John Walke from the Natural Resources
1818 Defense Council testified before this committee and said that
1819 he would support finding ways to expedite permitting rules
1820 and processes through updated guidance and regulation, so
1821 long as the Clean Air Act is upheld and its critical
1822 protections remain in place. Ms. Powell, would you agree
1823 with Mr. Walke's statement?

1824 *Ms. Powell. I would. Certainly, revisions to
1825 regulations or policies as needed to make permitting more
1826 efficient, they are certainly worthy of consideration so long
1827 as they continue to protect public health. And --

1828 *Mr. Menendez. And --

1829 *Ms. Powell. Yes.

1830 *Mr. Menendez. -- that is exactly right, and that is
1831 what Mr. Peters and I were discussing earlier today, because
1832 he has been a leading Democratic voice on permitting reform.
1833 We want to engage in the conversation about how we streamline
1834 some of these processes, but not at the expense of the health
1835 of our communities.

1836 And just a quick follow-up. Do you believe that the
1837 bills under discussion here today would achieve those
1838 priorities of expediting permitting rules and processes
1839 through updated guidance and regulation?

1840 *Ms. Powell. I do not. They are far more focused on
1841 stripping away fundamental Clean Air Act protections that are
1842 needed to ensure that people across the country have healthy
1843 air quality.

1844 *Mr. Menendez. Right. And we have touched on some of
1845 the issues that folks face when they are trying to work their
1846 way through these various regulations. But we also have to
1847 acknowledge the catastrophic staffing and funding cuts at the
1848 Trump Administration's EPA. We have to acknowledge that we
1849 are not building capacity at state agencies that issue
1850 permits. Would you agree that that is a route that we could
1851 take to make these processes more streamlined in an effective
1852 and thoughtful way?

1853 *Mr. Mirzakhali. Mr. Menendez, absolutely. That is -
1854 - when we get down to it, it is a resource issue for states
1855 and guidance.

1856 *Mr. Menendez. Yes. And so that is what I think is so
1857 frustrating, because we -- the majority frames these
1858 conversations as we are looking at permitting reform, but
1859 they are really just cherry-picking things out of the Clean
1860 Air Act that aren't a holistic approach to how we actually

1861 address the challenges that industry are facing. And on this
1862 side of the aisle we want to see renewable energy, clean
1863 energy get online quicker. So that is why we want to engage
1864 in the conversation.

1865 But this is not really the most artful way to do it, and
1866 it is misleading to tell the American people we are going to
1867 sit here and have a conversation about energy or about --
1868 excuse me, about permitting reform when it is really hand-
1869 selected approaches that undermine the Clean Air Act when, as
1870 we previously discussed, there is so much more work that we
1871 have to do to ensure that every American, and especially
1872 every American child, is breathing clean air. We can do that
1873 work together. I would love to do it in a bipartisan way.
1874 But in my opinion, that is not what we are doing here today.

1875 So thank you all so much for coming. By the way, my
1876 wife is from Indiana, so go, Hoosiers.

1877 *Mr. Palmer. The gentleman yields. The chair now
1878 recognizes the gentleman from Georgia, Mr. Carter, for five
1879 minutes for his questions.

1880 No, no, no, I am sorry. Mr. Landsman from Ohio.

1881 *Mr. Landsman. This guy. No worries. Thank you, Mr.
1882 Chair.

1883 Yes, there is -- clearly, I think there is a commitment
1884 to do bipartisan permitting reform. It does require both
1885 sides to get in a room and hash out those details. And there

1886 are folks on both sides that have worked on this. It is not
1887 clear to me that we are talking about a bipartisan permitting
1888 bill, but I wanted to get to -- get at a few things.

1889 We are talking in large part about, you know, clean air,
1890 clean water. And there are serious questions about whether
1891 or not these reforms would, in fact, lead to dirtier air and
1892 dirtier water, which we want to avoid.

1893 One of the things that makes a huge difference right now
1894 is the Office of Research and Development at the EPA. They
1895 only do clean air and water work. And I have got a big ORD
1896 office in my district: amazing human beings, incredible
1897 scientists and researchers, and they help businesses and
1898 municipalities deal with clean air and clean water concerns.
1899 I was frustrated, as you can imagine, by the EPA's decision
1900 to shutter the Office of Research and Development and
1901 threaten the jobs of nearly 1,200 dedicated public servants.
1902 It is, I would argue, the ORD, the scientific backbone of the
1903 EPA.

1904 Ms. Powell, how did the EPA's work within ORD before the
1905 EPA or the administrator's decision around ORD -- how did it
1906 support the EPA's ability to address toxic air pollution?

1907 *Ms. Powell. The Office of Research and Development
1908 played an absolutely essential role in helping evaluate the
1909 health effects of air toxics. And I have an example that has
1910 been really important in the State of Georgia, where I am

1911 based.

1912 In around 2016 ORD assessed ethylene oxide that comes
1913 from medical sterilizers, and determined that ethylene oxide
1914 is far more carcinogenic than had previously been thought.
1915 The State of Georgia took that information, and they moved
1916 forward quickly to put in place strong standards in permits.
1917 They established them in permits to regulate ethylene oxide.
1918 And the state legislature acted, as well, based on that
1919 information, to adopt strong On legislation. EPA took that
1920 information and strengthened their Federal standard.

1921 Unfortunately, that is one of the standards that the
1922 President has recently exempted many facilities from and is
1923 talking about rolling back. But ORD played a really
1924 important role in helping people understand the risks
1925 presented by that pollutant and identified communities at
1926 risk all across the country.

1927 *Mr. Landsman. Yes, I was over there touring the other
1928 day, and it is amazing how much they do for local
1929 communities, like, again, companies, but also, to your point,
1930 state legislatures. And that is where a lot of the
1931 permitting reform happens, right?

1932 And so I am curious. This is a question for Mr.
1933 Mirzakhali. Is that right? Yes, thank you. Sorry.

1934 Can you talk a little bit about the specific tools or
1935 expertise that ORD has provided to states like yours?

1936 Would states face challenges implementing Clean Air Act
1937 requirements if those resources were scaled back, if it
1938 was --

1939 *Mr. Mirzakhilili. Right.

1940 *Mr. Landsman. -- harder to get ORD resources?

1941 *Mr. Mirzakhilili. Representative Landsman, absolutely.
1942 They provide crucial resources for state permitting agencies,
1943 you know, such as modeling tools. We rely on -- we assess
1944 the impact of emissions based on atmospheric models that all
1945 are perfected and improved through ORD research. Emissions
1946 inventory tools that come along with them and basic science,
1947 they provide guidance. I think that is the -- for us to have
1948 better tools, we need --

1949 *Mr. Landsman. Yes, can I --

1950 *Mr. Mirzakhilili. -- ORD.

1951 *Mr. Landsman. -- just ask you and then everybody else?
1952 It is also very important for ORD these scientists remain
1953 independent, right? I mean, to remain independent from
1954 political appointees and potential pressure from them. Yes
1955 or no?

1956 *Mr. Mirzakhilili. Yes.

1957 *Mr. Landsman. Ms. Powell?

1958 [Nonverbal response.]

1959 *Mr. Landsman. Yes.

1960 *Ms. Kunz. [Nonverbal response.]

1961 *Mr. Landsman. Okay, yes.

1962 *Mr. Seiden. [Nonverbal response.]

1963 *Mr. Landsman. Yes.

1964 Indiana?

1965 *Mr. Woods. [Nonverbal response.]

1966 *Mr. Landsman. Sure, all right. Thank you.

1967 [Laughter.]

1968 *Mr. Landsman. Mr. Chair, I yield back.

1969 *Mr. Palmer. The gentleman yields. I will now
1970 recognize myself for five minutes for questions.

1971 Mr. Woods, I think everybody here should know, if they
1972 don't know already, that we are in an arms race for
1973 artificial intelligence and quantum computing with China.
1974 And in order to meet that, we are going to have to have some
1975 permitting reform. We are going to have to make some reforms
1976 across the board to some of our environmental laws. I think
1977 we can do that with no harm to environmental quality.

1978 I worked -- in a previous life I worked for two
1979 international engineering companies, one of which was
1980 Combustion Engineering, their environmental systems division.
1981 I have a pretty good understanding of what has to be done to
1982 maintain our air quality, water quality, land quality.

1983 What -- how do you think it would impact our ability to
1984 build out our data centers, and particularly to power those
1985 data centers, if we don't have some sensible regulatory

1986 reform, permitting reform?

1987 *Mr. Woods. Yes, I think -- in the absence -- it will
1988 be a real challenge. And obviously, you have, you know,
1989 competition between states and even in localities, and
1990 sometimes these environmental matters and nonattainment with
1991 a National Ambient Air Quality Standard or other issue can be
1992 an important determination in economic development and where
1993 -- and site selection is really critical.

1994 I think it has been echoed by several panelists as we
1995 drive those investments overseas, whether it is in the form
1996 of coal-fired power plants or data centers or anything else,
1997 we are increasingly able to characterize the degree to which
1998 those emissions still impact us to an increasing degree --

1999 *Mr. Palmer. But isn't it --

2000 *Mr. Woods. -- we brought our standards down. I think
2001 there is some real potential ripple effects of not having
2002 those investments made here.

2003 *Mr. Palmer. But part of this effort to win this arms
2004 race includes our ability to secure our own supply chain and
2005 refine critical minerals and refine rare earth elements.

2006 Ms. Kunz, you are planning to expand Micron. Does your
2007 product require any refined rare earth elements?

2008 *Ms. Kunz. At this time I am not an expert in that
2009 particular subject, so we will have our team get back to you.

2010 *Mr. Palmer. Okay, well, I can tell you with a pretty

2011 high degree of certainty that you won't be able to make
2012 semiconductors, microchips, a number of other products
2013 without refined rare earth elements. And if China decided to
2014 cut us off -- we get 94 percent of those from China. There
2015 is only -- there is not a single major refinery for rare
2016 earth elements in the entire Western Hemisphere. There is
2017 only nine in the world; eight of them are in China and one is
2018 in Malaysia. In order to build these processing and refining
2019 facilities, it is going to require an additional increase in
2020 power output, not just in addition to what we need for the
2021 data centers.

2022 Mr. Seiden, we have talked about the consequences from
2023 not reforming the outdated provisions of Clean Air Act for
2024 semiconductor plants and large projects. Wouldn't you say
2025 that also applies to our ability to provide power for these
2026 processing and refining facilities?

2027 *Mr. Seiden. Thank you, Mr. Chair. Absolutely, it does
2028 impact that.

2029 And Arizona, for those of you who don't know, is
2030 responsible for 80 percent of the U.S. copper supply. We are
2031 a mining state. It is one of the key components of our
2032 economy. And the need for power, before you can even think
2033 about building a refinery, before you can think about
2034 building smelters, it needs to be settled.

2035 And, you know, the question of availability,

2036 reliability, and affordability on power is everything right
2037 now. And permitting reform plays into that perfectly. I can
2038 speak on behalf of our state. Utilities are constantly
2039 looking for permitting reform.

2040 *Mr. Palmer. Well, I would just like to state for the
2041 record, at least from my side of the aisle, that while we
2042 support renewable energy, we are not in a race to lead the
2043 world in renewable energy. We are in an arms race -- again,
2044 as I have already said -- to win this arms race for
2045 artificial intelligence and quantum computing.

2046 Mr. Gebbia, how do current outdated provisions and flaws
2047 in the Clean Air Act impact our ability to meet growing
2048 energy needs and to win this arms race?

2049 *Mr. Gebbia. I mean, as we talked about here, there is
2050 a need for process improvement in the permitting process.
2051 And right now we know that we can deploy behind-the-meter
2052 power generation solutions for data centers. We know what
2053 the best available technology is to control those emissions.
2054 And we face, in certain jurisdictions, lengthy timelines
2055 ahead of being able to deploy that power simply for
2056 permitting review.

2057 So we -- I think an easy reform is to identify that we
2058 know what these solutions are, we know what emission limits
2059 should be, whether that is going through a PSD-backed program
2060 or a nonattainment layer review.

2061 AFTER 6:00 p.m.

2062 And so we should be able to begin deploying much faster
2063 with the data that we have available.

2064 *Mr. Palmer. Well, I would say this in closing, in
2065 terms of my questions, is that China understands our
2066 environmental laws better than we do, and they constantly use
2067 them. They support environmental groups to use them against
2068 us because they know what race they need to win. And it is
2069 not the race to renewables, it is the race to master
2070 artificial intelligence and quantum computing.

2071 I now recognize the gentleman from Georgia.

2072 Buddy, can you take the chair, or Mr. Joyce, can you
2073 take the chair?

2074 *Mr. Carter of Georgia. Are you ready? Okay. Well,
2075 thank you all very much for being here. I know it has been a
2076 long day for you, and we appreciate you staying here. This
2077 is something that is extremely important.

2078 I tell people all the time when business people come
2079 into my office, regardless of what sector of our economy it
2080 is, whether it be health care, whether it be energy, or
2081 technology, it is always the same thing: permitting
2082 regulations crushing us, crushing us. It is really putting a
2083 bind on the business world, and it is something that we need
2084 to address.

2085 And I give the example quite often -- and I don't think

2086 it is apples and oranges, I think it is very relevant -- I
2087 have the honor and privilege of representing the 1st
2088 congressional district of Georgia, including the Port of
2089 Savannah, the entire coast of Georgia. We deepened that port
2090 from 42 foot to 47 foot, and we went from -- we did that in
2091 the Savannah Harbor Expansion Project and finished that
2092 project in March of 2022. The permitting for that project
2093 started in 1996. I mean, that is just ridiculous. In that
2094 period of time China has started and completed three ports,
2095 so it is something we need to address, and that is what we
2096 are trying to do.

2097 We are talking about the Clean Air Act, and that is one
2098 of the landmark pieces of legislation that must be reformed
2099 if we are going to tackle this issue. You know, it has been
2100 three decades since anything has really been changed, since
2101 any real changes have been made to the Clean Air Act. And
2102 Ms. Kunz, based on your testimony you are all too familiar
2103 with how stringent the PM 2.5 standards are hampering
2104 development in America.

2105 In June we had another hearing that included my bill,
2106 the CLEAR Act, which would prevent EPA from penalizing
2107 exceptional events such as wildfires or preventative actions
2108 such as prescribed burns when looking at the Clean Air Act.
2109 Can you tell me about how wildfires in and around Idaho
2110 impact your ability to compete -- to comply with the Clean

2111 Air Act?

2112 *Ms. Kunz. Thank you, Congressman. From our
2113 perspective, when we look at wildfires specifically, we are
2114 urging for more codification around the definitions of human
2115 versus natural events, and -- which can only help the
2116 permitting and application process by removing the
2117 uncertainty and lack of clarity within this space.

2118 *Mr. Carter of Georgia. That is certainly true. I
2119 mean, you know, if you are going from 12 to 9 like has been
2120 proposed, and the baseline is at 8, and you have a wildfire,
2121 I mean, there -- you don't have any chance there, and that is
2122 what a lot of the companies and the businesses are concerned
2123 about.

2124 What are some of the consequences we might see in terms
2125 of domestic AI development if we don't amend the Clean Air
2126 Act or if we don't handle NAAQS?

2127 *Ms. Kunz. Thank you, Congressman. I can't speak
2128 specifically to the AI development broadly, but what I can
2129 say is that we are the only U.S.-based memory manufacturer
2130 with leading-edge technology that supports everything from AI
2131 to mobile to automobile.

2132 *Mr. Carter of Georgia. Great. Mr. Woods, you work as
2133 a commissioner for the Idaho -- or, excuse me, for the
2134 Indiana Department of Environmental Management. So that must
2135 mean that you are familiar with the implementation process

2136 for NAAQS. What -- in June I introduced the CLEAR Act, and
2137 that does a lot to help states comply with NAAQS, including
2138 giving states a year to make changes to the state
2139 implementation plans and extending the review timeline from 5
2140 years to 10 years, allowing for the economic feasibility
2141 attainment to be considered and much more.

2142 Do you feel like these potential changes would allow you
2143 to do your job more effectively and make expectations of your
2144 department more realistic?

2145 *Mr. Woods. The short answer is yes, and I think there
2146 is a strong state -- unanimous, probably -- opinion that EPA
2147 never meets any of their deadlines. I used to work in EPA's
2148 Office of Air and Radiation. We would get sued almost every
2149 day. And so when EPA doesn't meet those deadlines, it means
2150 that somebody else is dictating them to them.

2151 And for us, I think the implementation tools when NAAQS
2152 is amended are incredibly important. For some of our
2153 criteria pollutants like carbon monoxide, the underlying
2154 science hasn't changed much in 20 years, which is why we
2155 haven't changed those standards. For others --

2156 *Mr. Carter of Georgia. Right.

2157 *Mr. Woods. -- we have taken 12 or 13 years, so I think
2158 those changes would be incredibly important for state
2159 planning, as we have a lot of those obligations as the court
2160 implementers of the Clean Air Act.

2161 *Mr. Carter of Georgia. Let me ask you, Mr. Woods, the
2162 FIRE Act, I think, is a great piece of common-sense
2163 legislation. What do you -- what is your response to that?

2164 *Mr. Woods. I agree. I think there are a number of
2165 categories of exceptional events in which there should be, as
2166 Mr. Mirzakhilili has mentioned, kind of no-brainers, right?
2167 When there is a fire happening in an area, clearly -- and
2168 there is increasingly those.

2169 I will say whether it is for criteria pollutants or
2170 greenhouse gases, when we start to look at the impact of
2171 catastrophic wildfires on air quality, a week or two of
2172 catastrophic wildfire in California emits more greenhouse
2173 gases than an entire year of all energy-related activity in
2174 Indiana. So those things are incredibly impactful.

2175 And so the ability to ensure that prescribed fire active
2176 forest management can reduce the likelihood of catastrophic
2177 wildfires on the whole will result in a dramatic improvement
2178 in air quality. That has been the leading driver of
2179 increases in PM in any part of the country. And so that, I
2180 think, gets to that core of that issue.

2181 *Mr. Carter of Georgia. Well, thank you. And again,
2182 thank all of you for being here today.

2183 But I want to stress one last point, and that is that
2184 Americans don't have to have -- to choose between clean air
2185 and developing our economy. We can do both, and I hope we

2186 will do both.

2187 So thank you all for being here, and I yield back.

2188 *Dr. Joyce. [Presiding.] The gentleman yields. I now
2189 recognize myself for five minutes of questioning. Look
2190 relieved. I will be the last.

2191 It has been a long day, but your testimony is important
2192 to each and every one of us. The need for permitting reform
2193 has never been more pressing. I think you know that. Across
2194 the country projects are stalled due to burdensome and
2195 unworkable regulations. Economic growth has been stunted by
2196 outdated provisions. It is costing American jobs, it is
2197 costing American energy, and it is certainly threatening our
2198 national security.

2199 We continue to face the consequences of tightening
2200 regulations, despite the fact that the U.S. emissions have
2201 consistently decreased over the past 10 years, resulting in
2202 America's air quality rating absolutely among the best in the
2203 world. To keep America globally competitive, we must ensure
2204 that common-sense, attainable standards prevail.

2205 Mr. Seiden, can you explain the potential consequences
2206 that might result from outdated provisions of the Clean Air
2207 Act?

2208 And secondly, how they will impact industries and their
2209 ability to build right here in the United States?

2210 *Mr. Seiden. Thank you, Mr. Chair, for the question.

2211 And yes, I will do my best.

2212 It is always hard to quantify all the costs, but we at
2213 the Chamber and the members I represent consider very serious
2214 consequences will happen if this is not modified -- if this
2215 is not modernized or modified or changed, because we have --
2216 we have seen a stall in companies willing to make decisions,
2217 willing to plan ahead.

2218 When you are talking multi-billion-dollar investments,
2219 when you are talking semiconductors, AI, all the things that
2220 we are in this arms race for right now, those decisions
2221 aren't made 9 months at a time, 90 days at a time. They are
2222 made years in advance. And we need certainty to cement the
2223 investments we are going to get for those years.

2224 And you are correct, I don't know a single one of those
2225 members who wants to skirt any environmental standard. They
2226 are the best corporate stewards. We are proud to represent
2227 them. And they want to follow all the rules and go above and
2228 beyond. But there is just no certainty, and things change,
2229 and the planning for that makes it very difficult.

2230 So if this is not modernized, we are going to see us
2231 being unfairly hamstrung in our competition with other
2232 countries, including our foreign adversaries.

2233 *Dr. Joyce. And that huge foreign adversary,
2234 specifically when it comes to AI, is China.

2235 Overburdensome regulations threaten us globally, and

2236 that is why I had to mention China. And they encourage
2237 companies to build in other countries like China. Ms. Kunz,
2238 Micron is a leader in one of the fastest-growing global
2239 industries. I have a two-part question.

2240 What consequences will the U.S. face if we fail to enact
2241 meaningful permitting reform?

2242 And how urgent is it for that permitting reform if the
2243 U.S. wants to remain globally competitive?

2244 *Ms. Kunz. Thank you, Congressman.

2245 What we have experienced is a very lengthy permitting
2246 process that has been occurring for over the last two-and-a-
2247 half years. And we need reform in this particular space so
2248 that we can maintain our U.S. competitiveness.

2249 *Dr. Joyce. Do you feel that if that reform is in
2250 place, that you will once again be competitive? Not just
2251 competitive here, but competitive worldwide?

2252 *Ms. Kunz. Yes. I mean, I can speak to my expertise
2253 within the permitting space, and what I can tell you is for
2254 our U.S. investments these extended timelines impact our
2255 manufacturing processes and our abilities to bring chips to
2256 market. So reforming and ensuring that we have a streamlined
2257 permitting process will only help continue to make the
2258 semiconductor industry more successful.

2259 *Dr. Joyce. Ms. Kunz, do you feel that ceding
2260 investment opportunities to foreign adversaries who do not

2261 have the same clean air requirements not only harms us in the
2262 U.S. economically, but it is actually incompatible with the
2263 ultimate goal of protecting the environment?

2264 *Ms. Kunz. Thank you, Congressman.

2265 I can speak to my own experience within the U.S.
2266 permitting space for the purposes of health and safety and
2267 the environment. And what I can tell you, again, is that
2268 delays and extended timelines in this will impact our
2269 manufacturing processes.

2270 *Dr. Joyce. We have also seen how the uncertainty of
2271 when the New Source Review process will be triggered, and how
2272 the expense of undertaking an NSR review has discouraged
2273 much-needed investment. Mr. Gebbia, New Source Review has
2274 been used to prevent new economic development in the country,
2275 and even the retrofit of existing industrial facilities to
2276 actually reduce their emissions. How would narrow NSR
2277 reforms reduce regulatory burdens on our economy while still
2278 protecting human health and still protecting the environment?

2279 *Mr. Gebbia. Thank you for the question.

2280 I think we need to acknowledge that there is a broad
2281 regulatory landscape that New Source Review fits within, and
2282 largely it has become outdated. Between new source
2283 performance standards and state permitting requirements, it
2284 has become duplicative and slows down our ability to deploy
2285 technologies that we know are available.

2286 *Dr. Joyce. And that duplicative nature certainly slows
2287 our ability to be competitive. It is imperative to balance
2288 our public health -- and I, as a doctor, recognize that --
2289 and clean air goals -- and I again, as a doctor, recognize
2290 that -- with the need to attract innovation and economic
2291 development in critical industries. If we don't take that
2292 immediate action to provide regulatory relief, we will lose
2293 out on investment to China and to other competitors,
2294 undermining the global competitiveness and putting our
2295 economy ultimately at risk. Thank you.

2296 Again, I thank all of the witnesses for this long day
2297 and for being here until the end.

2298 I ask unanimous consent to insert in the record the
2299 documents included on the staff hearing documents list.

2300 Without objection, so ordered.

2301 [The information follows:]

2302

2303 *****COMMITTEE INSERT*****

2304

2305 *Dr. Joyce. I remind members that they have 10 business
2306 days to submit questions for the record, and I ask the
2307 witnesses to do their best to submit responses within 10
2308 business days of receipt of these questions.

2309 Without objection, the subcommittee is now adjourned.

2310 [Whereupon, at 6:12 p.m., the subcommittee was
2311 adjourned.]