

Jay Timmons
President and CEO

February 22, 2023

The Honorable Bruce Westerman
Chairman
Committee on Natural Resources
U.S. House of Representatives
Washington, DC 20515

The Honorable Raul Grijalva
Ranking Member
Committee on Natural Resources
U.S. House of Representatives
Washington, DC 20515

The Honorable Sam Graves
Chairman
Committee on Transportation and
Infrastructure
U.S. House of Representatives
Washington, DC 20515

The Honorable Rick Larsen
Ranking Member
Committee on Transportation and
Infrastructure
U.S. House of Representatives
Washington, DC 20515

The Honorable Cathy McMorris Rodgers
Chair
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Westerman, Chairman Graves, Chair McMorris Rodgers, Ranking Member Grijalva, Ranking Member Larsen and Ranking Member Pallone,

America's success and leadership depend on a strong, competitive manufacturing industry. Some of the biggest obstacles preventing manufacturers—and therefore the entire American economy—from reaching our full potential are the permitting delays, red tape and complicated bureaucracy that have plagued us for decades. Today, though, as we work to modernize our infrastructure and shore up our supply chains, the need for reform is more urgent than ever. Manufacturers in the United States employ 13 million people and add more than \$2.8 trillion to the U.S. economy, but the industry can do even more if the permitting process is run more efficiently. That is why manufacturers are grateful that you have prioritized modernizing the broken process to minimize delays that stand in the way of manufacturing projects and job-creating investments.

As you proceed with this critical work, we want to help identify some of the most pressing areas that need attention.

Energy Infrastructure

Permitting hurdles are delaying projects across the energy landscape, including oil and gas pipelines, electric transmission lines, rail facilities for energy transport, coal, nuclear and liquefied natural gas exports. Clean and emerging energy technologies face similar, steep permitting challenges. For example, the siting of and infrastructure for hydrogen power generation and transportation and for advanced, small modular and micro-nuclear reactors have progressed far too slowly. Manufacturers depend on access to reliable and affordable energy to expand, which is why we support reforms that would foster transparent, streamlined and timely federal regulatory processes for the siting, permitting and licensing of energy delivery infrastructure of all types.

Transportation Infrastructure

Manufacturers also rely on roads, rails, airports and ports for everything from employees' access to facilities to getting raw materials to shop floors and finished products to customers. Basic infrastructure must be developed before ground can ever be broken on a major facility. Yet obtaining permit approvals for these projects often takes years, especially when reviews are piecemeal and duplicative. We appreciate lawmakers' drive to have more products manufactured in America, but too many companies are waiting on the sidelines because transportation infrastructure construction moves too slowly—or not at all.

Passage of the bipartisan Infrastructure Investment and Jobs Act in 2021 heralded a new era in much-needed improvements to nationwide infrastructure systems. These upgrades, updates and new projects represent the generational investment needed to keep manufacturers in America competitive in a global marketplace. To ensure the broad and beneficial impact of these investments—and achieve the congressionally intended effects—it is critical to clear permit backlogs and ease processing timelines. The NAM was a strong supporter of this historic legislation and remains committed to seeing the promise shaped by this federal focus through to successful results and economic gains nationwide.

Resource Development

Manufacturers strongly believe that permitting, leasing, exploration and development of the nation's resources must be done in an environmentally sound and responsible manner. But unnecessarily restricting access to America's abundant natural resources hinders our ability to strengthen domestic supply chains. It also makes manufacturers more reliant on raw material imports. The inconsistent administration of critical mineral policies, for example, has limited our ability to use a wide range of resources that lie on and beneath federal lands—resources that are critical to producing everything from cars to medical devices. Streamlining resource permitting and leasing policies will help stabilize manufacturing supply chains, control costs for consumers, reduce our reliance on foreign countries and create jobs in the U.S.

Environmental Standards

Manufacturers are proud to have helped lead our country to the cleanest air in the modern world. It is important to protect these achievements by avoiding measures that give a competitive economic advantage to countries with less regard for the environment. Unfortunately, when federal agencies continually revise standards before current standards are met and before states have implemented prior mandates, they create unpredictability. That adds to inflationary pressures and can lead to the U.S. losing out on new projects and facilities to other countries, undermining the very goals of our environmental standards.

Overly burdensome, shifting regulatory policies inherently affect permitting, licensing and siting applications because they move the goalposts of compliance with federal regulations. If instead we make the process more predictable and consolidate the many complex layers of review, the U.S. can continue to build on its strong record of environmental stewardship by boosting domestic manufacturing, which is environmentally cleaner than international competitors.

Congressional Intent

The success of any legislative permitting reforms depends on proper implementation. Ensuring the administration follows congressional intent on recent and future statutory streamlining efforts such as One Federal Decision is key. Establishing strict permit review timelines and eliminating duplicative efforts across various federal agencies help in reducing unnecessary delays. Moreover, key permitting authorities are rife with ambiguity and inconsistent terminology and warrant congressional intervention.

Permitting affects every aspect of our lives—from our economic security to our national security. If we fail to modernize existing processes, the U.S. is at risk of falling behind international competitors that are taking every possible step to incentivize manufacturing development. On the other hand, if we seize this opportunity to lead, there is no limit to what manufacturers in the United States can accomplish—for the good of our people and for the good of the world.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Timmons". The signature is fluid and cursive, with a large initial "J" and a trailing flourish.

Jay Timmons
President and CEO
National Association of Manufacturers

cc: Speaker Kevin McCarthy
Majority Leader Steve Scalise
Democratic Leader Hakeem Jeffries
Members of the Committee on Natural Resources
Members of the Committee on Transportation and Infrastructure
Members of the Committee on Energy and Commerce