

**Opening Statement of Chairman Greg Walden  
Subcommittee on Environment hearing on  
“Legislation Addressing New Source Review Permitting Reform”  
May 16, 2018**

*(As prepared for delivery)*

Today’s legislative hearing represents another important step in this Committee’s work to advance reasonable updates to our environmental laws. Our goal has always been to ensure more effective environmental programs and also a more productive economy. A clean environment and strong economy are not mutually exclusive.

The draft legislation being developed under the leadership of Morgan Griffith, aims to address problems that have been identified in the Clean Air Act’s New Source Review program. This legislation reflects the Committee’s goal to implement reforms that will more efficiently preserve and improve air quality. It will also help responsibly reduce barriers to increasing productivity of manufacturers and industry in communities around the nation.

New Source Review was initially developed some 40 years ago—and it is well past time for reform. Over the past several decades, the program has evolved in regulatory complexity, leading to time-consuming permit decisions, expensive regulatory requirements, and litigation.

We learned in testimony three months ago how costly and lengthy reviews associated with NSR permitting can lead businesses to forego making beneficial investments in existing facilities. These investments can include efficiency upgrades, pollution control projects, and other environmentally beneficial changes to operations.

This does not make sense: decisions to *not* make such investments deprive communities of the benefits gained from environmental improvements, in addition to the increased jobs and economic activity that flow from this activity.

We learned that even when facilities choose to run the NSR gauntlet with efficiency projects, the result is unnecessary expense and costly delay— with the required bureaucracy providing no additional environmental benefit. In addition, state and local permit authorities are tied up on NSR matters instead of working on more pressing environmental reviews.

I’ve mentioned before the needless costs of poorly administered environmental regulations in the example of a proposed data center expansion in Pineville,

Oregon, in my district. That expansion ran headlong into permitting issues because of a dispute over a single air monitor, which made it unclear whether the expansion would go forward. It was only after the city persuaded EPA to add an additional air sampling location that the issue cleared and the expansion moved forward. That instance involved hundreds of millions of dollars in investments and hundreds of construction jobs.

At our NSR hearing earlier this year, we learned of a case in the pulp, paper, and packaging industry in which a facility was forced to make more than \$100,000 in additional assessments and incurred substantial delay—for a project that would actually reduce pollution.

In another project, a paper mill sought to shut down two older and inefficient boilers and upgrade a larger boiler to meet the same power needs more efficiently. Due to EPA NSR interpretations that ignored the replaced boilers, this project was subject to 18 months of costly red tape, and scope adjustments—again, for a project that would not increase emissions.

We should have an NSR program that presents clear standards for when reviews are necessary: this will lead to more efficient business decisions, more efficient permitting decisions, and more environmentally beneficial operations. We should have a program that works within the broader framework of state decision-making concerning permitting and meeting clean air standards.

I'm looking forward to hearing from EPA's Assistant Administrator for Air, Bill Wehrum, and from our second panel, which includes state, industry, and legal perspectives. These discussions will go far in perfecting the discussion draft.

I also want to thank Mr. Griffith for his hard work on the draft to date. He is taking important steps that will provide for economic expansion, while maintaining environmental protections. Doing this will ultimately benefit American workers and consumers around the nation.