Opening Statement of James Martin
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Subcommittee on Agriculture, Energy and Trade
Committee on Small Businesses
U.S. House of Representatives

Hearing on the Impact of Energy Regulations and Policies on Small Businesses, Jobs, and Consumers

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Chairman Tipton and Ranking Member Critz, thank you for inviting me to testify about the effects on small businesses and communities of certain EPA regulations. I hear often from Members that their small business constituents are concerned about EPA's policies and regulations. I appreciate today's opportunity to discuss some of EPA's proposals, and to clear up some common misconceptions about these efforts.

Coal Combustion Residuals

EPA proposed last year to regulate the disposal of coal combustion residuals (CCRs) to address the risks from the disposal of such wastes in landfills and surface impoundments generated from the combustion of coal at electric utilities and independent power producers.

The Agency proposed for public comment two options for the regulation of these materials. Neither option would change the May 2000 Regulatory Determination (Bevill exclusion) for CCRs that are beneficially used. EPA continues to believe that the Bevill exclusion should remain in place for CCRs that are beneficially used in an environmentally-sound manner.

The agency is reviewing and evaluating the more than 450,000 public comments along with supporting data that we received on the proposal before deciding on the approach to take in the final rule. The target date for release of a final rule is dependent upon a full evaluation of all the information and comments EPA received on the proposal.

Mercury and Air Toxics Standards Proposal

EPA has proposed Mercury and Air Toxics Standards to control emissions of toxic air pollutants from power plants. Mercury, depending on the form and dose, may cause neurological damage, including lost IQ points in children who are exposed before birth. Mercury may also negatively impact cognitive thinking, memory, attention, language, and fine motor and visual spatial skills in children. As proposed, the Mercury and Air Toxics Standards would prevent:

- 17,000 premature deaths
- 11,000 heart attacks
- 120,000 cases of childhood asthma symptoms
- 11,000 cases of acute bronchitis among children
- 12,000 emergency room visits and hospital admissions
- 850,000 days of work missed due to illness.

Contrary to the claims of many in industry, these proposed standards are affordable and achievable within the time for compliance outlined in the proposed rule. Moreover, the investments in a cleaner energy sector required by these standards will keep people working and create jobs. EPA estimates that the proposed Mercury and Air Toxics Standards may support 31,000 job years of short-term construction work and net 9,000 long-term utility jobs.[1] Money spent on pollution controls at power plants provides high quality American jobs, for example, in manufacturing steel, cement, and other materials needed to build, install and operate pollution control equipment.

Steps to Address Greenhouse Gas Pollution

With regard to greenhouse gas emissions, the Agency is taking a common-sense, phased approach to meet our obligations under the Clean Air Act to reduce carbon pollution. Our focus now is not on small sources, but solely on the largest polluters and, for the most part, on the sectors that are responsible for the largest share of our greenhouse gas emissions.

Perhaps the most-repeated misinformation about greenhouse gas regulation and small businesses relates to greenhouse gas air permits. Contrary to the most commonly heard claims, small sources are not now covered by the permitting program. In fact, EPA adopted regulations last year that will ensure that small sources are not subject to greenhouse gas permitting requirements without changes to the regulations. Absent further rulemaking, greenhouse gas emissions trigger the obligation to get a preconstruction permit only for new construction of, or a major modification at, large facilities with the potential to emit more than 100,000 tons of greenhouse gases a year – the equivalent of burning the amount of coal it would take to fill almost 500 railroad cars.

It is worth noting that the only greenhouse gas standards EPA has issued under its existing Clean Air Act authority will result in savings – not increased costs - for small businesses and other consumers. Last year, EPA and DOT acted to issue greenhouse gas emissions and fuel efficiency standards for cars and light trucks of model years 2012 through 2016. By ensuring that

[1] Regulatory Impact Analysis for the Proposed Toxics (now MATS) Rule, U.S. EPA, March 2011.

new vehicles are more fuel efficient, the EPA/DOT standards will save American drivers money at the pump while reducing America's oil consumption by 1.8 billion barrels. We estimate that the average American purchasing one of these vehicles will have a net savings of $3,000 over the lifetime of the car or light truck. On August 9 of this year, the Agencies finalized a similar program to improve the efficiency of heavy-duty trucks and buses. The agencies estimate that the heavy-duty standards will result in oil savings over the life of vehicles built for the 2014 to 2018 model years and will result in fuel savings for vehicle owners. The savings from both of these programs apply to vehicles whether purchased by a large company or small business.

Natural Gas Extraction

While natural gas holds promise for an increased role in our energy future, EPA believes it is imperative that we access this resource in a way that protects human health and the environment. EPA has an important role to play in ensuring environmental protection and in working with federal and state government partners to manage the benefits and risks of shale gas production. We must effectively address concerns about the consequences of shale gas development using the best science and technology.

EPA is committed to using its authorities, consistent with the law and best available science, to protect communities across the nation from impacts to water quality, human health, and environment associated with natural gas production activities. We also commit to coordinating with our federal, state, and local partners as we move forward. By helping manage environmental impacts and address public concerns, natural gas production can proceed in a responsible manner, which protects public health and enhances our domestic energy options. We believe that by doing so, as a nation, together we can establish a sound framework that allows for the safe and responsible development of a significant domestic energy resource whose use brings a range of other important national security, environmental and climate benefits.