



The Fertilizer Institute

Nourish, Replenish, Grow

November 17, 2015

The Honorable Ed Whitfield
Chairman
Subcommittee on Energy and Power
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Whitfield:

On behalf of the members of The Fertilizer Institute (TFI), I am writing in support of H.J. Res 71 and H.J. Res 72. These Congressional Review Act (CRA) resolutions ensure that the U.S. Environmental Protection Agency's (EPA) Clean Power Plan does not place undue harm on the nation's economy. As you know, these regulations target greenhouse gas (GHG) emissions from existing and future power plants. Unfortunately, the regulations fail to utilize an "all of the above" energy strategy and instead pick winners and losers.

TFI represents the nation's fertilizer industry including producers, importers, retailers, wholesalers and companies that provide services to the fertilizer industry. Our members play a key role in producing and distributing vital crop nutrients, such as nitrogen, phosphorus and potassium, which are used to replenish soils throughout the United States and globally by farmers to produce healthy and abundant supplies of food, fiber and fuel.

As energy consumers and producers of products that are essential to the nation's food production system, we are concerned with the arbitrary approach that the Administration has employed in the Clean Power Plan. In particular, we are concerned with the apparent option for states to regulate facilities that are located "outside the fence line." We believe this exceeds the authority provided to EPA by Congress under the Clean Air Act.

The nitrogen fertilizer industry is both energy intensive and trade exposed. The U.S. nitrogen fertilizer industry competes in a global market. Production of these critical crop nutrients relies heavily on the use of natural gas which is used as a feedstock in the production of ammonia, the basic building block for nitrogen fertilizers. In fact, the cost of natural gas comprises between 70 and 90 percent of the cost of nitrogen fertilizer production.

In May 2015, the U.S. Energy Information Administration released a report entitled "Analysis of the Impacts of the Clean Power Plan." One of the key conclusions from the report is that "switching from coal-fired generation to natural gas-fired generation is the predominant compliance strategy as implementation begins." The result of this essentially government mandated fuel-switching is likely to be higher demand for natural gas and ultimately higher prices for consumers.

The shale gas revolution has resulted in competitive U.S. gas prices and a manufacturing renaissance evidenced by recent project announcements in the nitrogen fertilizer sector. Each new facility provides construction jobs and permanent high-paying jobs to individuals who will work in that plant. A robust U.S. fertilizer sector will play a critical role in meeting the growing global demand for food in the years to come, but regulations like the EPA's Clean Power Plan could jeopardize the industry's continued growth.

Thank you again for your introduction of the CRA resolutions which are necessary to ensure that the EPA cannot move forward with these costly regulations that threaten to increase the cost to energy consumers. We look forward to continuing to work with you to protect American agriculture.

Sincerely,

A handwritten signature in blue ink, appearing to read 'CJahn', with a long horizontal flourish extending to the right.

Chris Jahn
President