

**Opening Statement of the Honorable Fred Upton**  
**Subcommittee on Energy and Power**  
**Hearing on "The American Energy Initiative: A Focus on EPA's**  
**Greenhouse Gas Regulations"**  
**June 29, 2012**  
*(As Prepared for Delivery)*

It has been more than a year since the House passed H.R. 910, the Energy Tax Prevention Act. That bill would have reined in EPA's back door cap and tax authority. Today, the agency is moving aggressively to implement this agenda, and with each passing day the threat it poses to the American economy is becoming more real.

Earlier this week, a federal court upheld key portions of EPA's greenhouse gas regulatory agenda. No question, it was a victory for the Obama EPA. However, it is important to note that federal courts can only decide whether agency rules pass legal muster - not whether they are a good idea. And the GHG regulatory agenda is proving to be a very bad idea.

Policy decisions belong in Congress, and Congress needs to stop the threat to our economic future posed by GHG regulations.

Something else happened recently that in its own way is bigger news than the court decision. Both Alpha Coal and Arch Coal announced that they are shutting down several mines and that hundreds of miners will lose their jobs - adding to the list of victims in the war on coal that is an integral part of EPA's GHG regulatory agenda. The sad reality is that we are no longer just predicting job losses; we are beginning to see them.

But it isn't just coal mining companies that are feeling the pain. At last week's hearing on GHG regulations, this subcommittee heard testimony from a cross-section of the American economy. Several witnesses associated with coal-fired electricity generation said that the proposed New Source Performance Standards would bring an end to new coal and raise electricity prices. A small refiner warned that GHG regulations would destroy domestic refining jobs and raise the future price of gasoline.

And the impacts are reverberating throughout the economy. For example, the President of the American Bakers Association raised concerns about the threat of direct regulation of the baking industry, and what it would do to jobs and to the prices consumers see at the supermarket.

In addition to the direct regulation of small businesses and farmers that is coming, these businesses will face the indirect impacts of higher input costs being passed on to them. A Pennsylvania farmer representing the Farm Bureau warned of a double jolt to agriculture - higher costs from utilities, refiners, and manufacturers being passed on to the agriculture sector, and the possibility of direct GHG regulation at some point in the future.

Since few of America's industrial competitors are imposing anything even remotely as stringent as EPA's GHG regulations, we are putting domestic manufacturers at an unfair disadvantage. Instead of creating jobs, we are outsourcing them. That is the wrong direction for our country.

Overall, the threat to our economy from the GHG regulatory agenda - to jobs, prices, and global competitiveness - is becoming harder to deny. The need for H.R. 910 is greater than ever.