

Opening Statement of the Honorable Ed Whitfield
Subcommittees on Commerce, Manufacturing, and Trade and Energy and Power
Joint Hearing on “A Competitive Edge for American
Manufacturing: Abundant American Energy”
June 20, 2013

(As Prepared for Delivery)

America's growing energy abundance benefits the economy and job creation in two critical ways. First the energy production itself has created many energy industry jobs at a time when we badly need them. And second, plentiful and affordable domestic energy from coal for example is powering the nation's manufacturing base. It is this second benefit - manufacturing - that we will explore today with the Subcommittee on Commerce, Manufacturing, and Trade and its chairman, Lee Terry, to help bring this important story to light and make sure that it continues.

Domestic coal is an essential baseload source of electricity for many manufacturers, and we need it in order to remain globally competitive with nations that are taking full advantage of affordable coal for their industries. In Kentucky, coal is the baseload choice of energy used in 90% of electricity generation. In addition, affordable and abundant natural gas is also a part of this story - with manufacturers, such as chemicals and fertilizer producers, depending on natural gas as an energy source and as a chemical feedstock.

The reality is low energy prices provided by coal are giving American manufacturing a fighting chance. Thanks to affordable domestic energy, factories – and their good paying jobs – are starting to come back to the U.S. The manufacturing plants that have opened in recent years, and the others in the planning stages, is a welcome development that should be encouraged.

Regretfully, some environmentalists would like to stop these manufacturing plants because they emit greenhouse gases. And the Obama administration is working alongside the environmental groups by issuing regulatory roadblocks that drive up costs and send manufacturing overseas.

For example, the Greenhouse Gas New Source Performance Standards for new electric generating units requires that power plants use Carbon Capture and Sequestration, commonly referred to as CCS, technology to lower carbon dioxide emissions to 1,000 pounds per megawatt hour. The Federal Register proposal for the regulation states that "The Department of Energy National Energy Technology Laboratory estimates that using today's commercially available CCS technologies would add around 80 percent to the cost of electricity for a new pulverized coal plant, and around 35 percent to the cost of electricity for a new advanced gasification-based plant."

Now, to be clear, the CCS technology that would be required to comply with the proposed rule is not currently commercially available. And, in November, 2011, former EPA Administrator Lisa Jackson, when talking about the proposed carbon rule on utilities, admitted that the technology has a long way to go saying, "It can be years, maybe a decade or more, until we have the technology available at commercial scale." So, in summary, EPA is mandating utilities to use a technology that we don't even know for sure will be available, much less affordable.

These regulations are terrible economic and job-creation policy, but it wouldn't be wise environmental policy either. This is just one major regulatory restriction on the use of coal. We must continue to remain vigilant against expensive red tape that could offset the advantage to manufacturers of low energy costs. If we do not, other countries will simply move to other parts of the world to expand their businesses where the smokestack emissions are considerably greater.

This hearing is a good news story - a story of American innovation and private sector revitalization. But this story will only continue if we allow it.

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