

SHERROD BROWN  
OHIO

COMMITTEES:  
AGRICULTURE, NUTRITION,  
AND FORESTRY  
BANKING, HOUSING,  
AND URBAN AFFAIRS  
HEALTH, EDUCATION,  
LABOR, AND PENSIONS  
VETERANS' AFFAIRS  
SELECT COMMITTEE ON ETHICS

# United States Senate

WASHINGTON, DC 20510

February 28, 2011

President Barack Obama  
The White House  
Washington, DC 20500

Dear President Obama:

I write today in regard to the Executive Order announced during your State of the Union address calling for a government-wide review of rules and regulations to ensure our government is effectively protecting public health and safety while promoting economic growth, competitiveness, and job creation. I appreciate the level of attention your administration has given this issue. As part of the review process, I urge you to include an assessment of the economic repercussions and potential unintended consequences of the greenhouse gas regulation on manufacturers, farmers, electric power generators, and our nation's economy as a whole. I believe that regulation of these sources under the Clean Air Act's prevention of significant deterioration (PSD) provisions must be reconsidered if it is to accomplish its goals without harming these critical drivers of the U.S. economy.

For decades, the Clean Air Act has been a remarkably successful law that has protected the health and well-being of all Americans by significantly reducing the emissions of dangerous pollutants, while still ensuring economic growth. Clean air standards and their implementation must be carefully crafted, however, so as not to unjustifiably impede business and job growth. The Supreme Court has required the Environmental Protection Agency (EPA) to move forward with reducing greenhouse gas emissions and addressing the very real danger of climate change, which threatens our nation's economic, environmental, and energy security.

In Ohio and across the country, however, industries, workers, and farmers are extremely concerned that burdensome permitting requirements have been triggered for greenhouse gas emissions. They need assurances that greenhouse gas reductions will be achieved in ways that protect and enhance our nation's competitiveness and guard against the threat of carbon leakage—whereby both pollution and jobs in trade-sensitive industries are shifted overseas. Without careful consideration, the unintended consequences of imprudent regulation could ultimately undermine our shared objectives of reducing greenhouse gas emissions and spurring economic growth.

To accomplish these goals, any approach to reducing greenhouse gas emissions must recognize the unique situation of energy-intensive industries competing in a global market. Due to the nature of these businesses, there is already limited ability to raise prices due to increased energy costs in the global marketplace. I have long been supportive of measures such as financial and technical transition assistance for manufacturers and border adjustment measures to maintain a level-playing field. It is disconcerting that, to my knowledge, the EPA has neither a plan in place nor the authority to provide these protections to U.S. manufacturing, a sector of the economy critical to the continued economic recovery of my state and so many others.

At the same time, we must increase federal investment in clean energy research, development, and deployment. These efforts should include industrial energy efficiency technologies such as combined heat and power, waste-heat-to-energy, and advanced manufacturing processes. A comprehensive strategy for investing in technological innovation would increase American competitiveness—an approach consistent with our common desire to promote exports and accelerate job creation. In this regard, your 2012 budget request for clean energy and innovation is an important step forward.

A comprehensive strategy of investments and well-defined incentives can drive innovation and encourage long-term investments much needed by manufacturers and industry. A model for this common sense approach is the negotiated settlement on greenhouse gas emissions and fuel economy standards reached when your administration worked collaboratively with auto manufacturers, states, and environmental advocates. It makes sense to explore similar opportunities with other industries. I believe that through collaborative approaches like these, we can reduce greenhouse gas emissions, save consumers money, and address our dependence on foreign oil.

In that context, I strongly urge you to reevaluate the expected impact of subjecting industry to greenhouse gas permitting regulations and consider changes that will both reduce greenhouse gas emissions and promote continued economic growth.

I look forward to working with you and thank you for your efforts.

Sincerely,



Sherrod Brown  
United States Senator