

Statement of James M. Inhofe

Hearing: Subcommittee on Clean Air and Nuclear Safety hearing entitled, "Review of Mercury Pollution's Impacts on Public Health and the Environment."

Tuesday, April 17, 2012

I want to thank our witnesses for joining us for today's hearing. Additionally, Chairman Carper, thank you for holding this second hearing focused on the Utility MACT, or MATS, rule. Utility MACT is the most costly rule in the history of the EPA - one that typifies President Obama's war on affordable energy. It is fitting we would focus additional oversight efforts on this rule. I only wish we had done so before the rule went final and the negative impacts started to be felt.

Let me begin today with some news. As of yesterday, 24 state attorneys general, including one quarter of all Democratic state attorneys general, had filed petitions challenging Utility MACT. This includes some states that should catch everyone's attention: Arkansas, Kentucky, Missouri, Mississippi, West Virginia and Wyoming. It is clear that there is tremendous bipartisan concern from the states about EPA's regulatory onslaught.

To be clear, Republicans are for reducing mercury emissions. In fact, my Clear Skies Act was the first bill that reduced mercury from coal-fired power plants. Unfortunately, Clear Skies was killed by radicals in the environmental movement because it didn't embrace their global warming agenda. Those opponents included President Obama, who was a member of this Committee at the time. Undeterred by that defeat, in 2005 the Bush Administration sought to issue mercury regulations under the Clean Air Act. But that rule also fell victim to environmental groups' court challenges.

So today, we would do well to remember that it is Republicans who first sought to reduce mercury and it's the environmental establishment that has stopped progress for more than a decade.

But this rule isn't about reducing mercury. It's part of President Obama's grand strategy to end affordable energy in the United States and kill coal. Like Obama's cap and trade regulations, Utility MACT is not interested in environmental protection or promoting human health. Backed by false claims and EPA propaganda, this rule will fulfill Obama's campaign promises of skyrocketing electricity rates and bankrupt the coal industry.

EPA calls this the "Mercury and Air Toxics" rule, but the Agency admits the benefits of reducing mercury are astonishingly small - especially when considering the rule's price tag, roughly \$10 Billion annually. EPA estimates the benefits of reducing mercury to be \$6 million or less. That's a cost-benefit ratio of approximately 1,600 to 1. You can see the gulf between benefits and costs in this chart, which I request be entered into the record.

This rule cannot be justified on the merits. But instead of working to reduce the rule's cost, EPA conjures up additional benefits to fool the public into thinking they are getting a good deal. EPA does this by tallying up the "co-benefit" of additional PM2.5 reductions.

In so doing, EPA is conveniently forgetting that it already has in place more cost-effective Clean Air Act mechanisms to reduce PM2.5. Worse still, the Agency is claiming benefits from reducing PM2.5 to levels below the National Ambient Air Quality Standard (NAAQS) - even though this air is, by definition, clean.

This rule isn't about public health. If it were, EPA wouldn't have to trick the public by relying on phony "co-benefits." If it were, EPA would have shown more rigor in analyzing the jobs that will be lost across the country and the health impacts that joblessness has. No, this rule is about killing coal in furtherance of Obama's ideological cap and trade agenda. In fact, this was confirmed by Lisa Jackson - this rule is about 'leveling the playing field' between power providers - which will make electricity more expensive for everyone.

And now, American families have to pay the cost - real costs, compared to EPA's phony benefits. At our last hearing, we heard about the closure of a GenOn plant in Avon Lake, directly attributable to EPA actions. The loss of tax revenue from this will hurt schoolchildren's education and reduce emergency services in the community. This is a story that will be repeated in community after community. As of today, nearly 22 Gigawatts operating in 20 states are slated to shut down due to EPA.

Next month, we will see another effect of all these closures, as PJM holds its Future Capacity Auctions - increasing electricity rates. UBS estimates that prices could increase by 60% in Ohio. Elsewhere in the country, MISO (Midwest Independent Transmission System Operators) estimates that electricity rates could increase by as much as 50%. Last fall, this rule was estimated to increase electricity prices by as much as 20 percent, and cost the economy 1.64 million jobs. These effects were known as the rule was developed, but EPA chose to ignore the warnings.

This regulation needs to be stopped. My resolution of disapproval on Utility MACT will send EPA back to the drawing board, where they can consider the full range of their rule's impact. Contrary to claims, a CRA doesn't amend the Clean Air Act or keep the agency from regulating mercury. Rather, it would result in EPA writing mercury regulation in a manner consistent with Congressional direction - namely, in a way that reduces mercury but that doesn't unduly harm Americans or eliminate their jobs.

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