

**Economy-wide Implications of the President's Air Agenda**  
**Tuesday, September 29, 2015 at 10:00 a.m.**

Acting Assistant Administrator McCabe, thank you for taking the time to be here. We are here today to talk about two of the most expensive and intrusive federal regulations ever put forward in the history of this country: the National Ambient Air Quality Standard for Ozone and the recently finalized carbon standards for power plants. Your agency is attempting to restructure our entire energy system while simultaneously controlling economic expansion.

These regulations would cost hundreds of billions of dollars leaving stakeholders with an economic burden that will take generations to pay down. These regulations stand to impact every industrial sector and would make the price of doing business in this country more expensive. These regulations would reduce domestic investment and associated jobs, likely shipping them overseas to countries like China with less stringent environmental standards. And finally, these regulations would cause the most harm to low-income and minority families as your agency forces a shift away from affordable, reliable electricity and limits access to jobs in the energy, manufacturing and transportation sectors.

For all of these costs, the “benefits” of these regulations are minimal at best. The final Clean Power Plan would cost hundreds of billions of dollars each year while only reducing CO<sub>2</sub> concentrations by 0.2 percent, global temperature by 1/100<sup>th</sup> of a degree Fahrenheit and sea level rise by the thickness of two human hairs. EPA’s ozone proposal would cost as much as

\$1.7 trillion over the life of the proposal and result in 1.4 million lost jobs. Up to 67% of counties would fail to meet the proposed lower standards, which means they would face a legacy of EPA regulatory oversight, stiff federal penalties, lost highway dollars, restrictions on infrastructure investment, and increased costs to businesses.

Like many of the EPA's recent proposals, the carbon and ozone standards would have negligible environmental benefits, are based on questionable health benefits, and come with unequivocal economic costs. Additionally, they are full of unreasonable assumptions and projections, including the EPA's projection that renewable generation would account for 28% of electricity production by 2030 when wind and solar currently account for less than 5%, which has taken decades to achieve and significant federal subsidization.

These regulatory actions are based on dubious science and are the culmination of improper collusion with extremist environmental groups and their sue-and-settle tactics.

These regulations face major legal obstacles and wide reaching state opposition. For ozone, Colorado Democrats Senator Michael Bennet and Governor John Hickenlooper have joined Kentucky Governor Steve Beshear and others, in voicing their concerns about the impacts on local economies. 32 states opposed the proposed Clean Power Plan and opposition is growing against the final version. It's very telling when you have a Democrat Senator who is generally supportive of the EPA's efforts calling the final rule a "slap in the face." (*Senator Heitkamp's response to the final Clean Power Plan*).

EPA is essentially cutting corners in a shameless attempt to promote President Obama's environmental legacy. I'm eager to hear why this Agency is steamrolling ahead and requesting billions of taxpayer dollars be spent on proposals that are not only rejected by states, but ignore the will of Congress, rely on unreasonable assumptions, cost billions, increase the cost of doing business, **and** do nothing to impact public health or global warming.