

FOR IMMEDIATE RELEASE
May 12, 2010

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**AMMA: Kerry-Lieberman Bill Invests More in U.S. Manufacturing
Competitiveness, but Changes Needed in Key Areas**

WASHINGTON, D.C. – *The American Materials Manufacturing Alliance (AMMA), a group of energy-intensive, trade-exposed industries (EITEs) that includes The Aluminum Association, the American Chemistry Council (ACC), the American Forest & Paper Association (AF&PA), the American Iron and Steel Institute (AISI), The Fertilizer Institute (TFI) and Portland Cement Association (PCA), today issued the following statement in response to the release of energy and climate legislation from Senators John Kerry (D-Mass.) and Joe Lieberman (ID-Conn.)*

“We appreciate the efforts the bill’s authors have made to solicit the views of our organizations and our member companies, and we look to continuing to be constructively engaged in the process. We believe that compared with past bills, the legislation released today invests more in U.S. manufacturing competitiveness. However, in several key areas, more must be done to ensure the global competitiveness of EITEs and the retention of American jobs.

“The new legislation includes funding for energy efficiency and for clean energy sources and technologies such as renewables, carbon capture and storage and nuclear power. Yet the funding must be boosted significantly to meet the objective of keeping U.S. manufacturing competitive. The bill also does not address increased energy costs: cost containment is key to preventing the transfer of U.S. manufacturing production and jobs to more carbon-intensive developing nations, known as ‘carbon leakage.’ Carbon leakage results in higher net global greenhouse gas emissions.



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“The bill does not create a single national program for regulating greenhouse gases (GHGs). Instead of fully pre-empting U.S. Environmental Protection Agency (EPA) regulation of GHGs under the Clean Air Act, the bill preempts regulation only under specific sections, and only for ‘covered’ stationary sources. Moreover, EPA retains its authority to develop New Source Performance Standards for non-covered sources and to regulate GHGs under other federal statutes (e.g. Clean Water Act). In addition, the Department of Interior retains its authority to regulate GHGs under the Endangered Species Act. The bill falls short of the uniformity needed to prevent uncertainty and delay in investments that could help drive economic recovery, add U.S. jobs and expand energy efficiency and clean energy technology.

“Finally, while we believe the 15 percent allocation for EITs represents a positive step, we will need to evaluate it against eligibility criteria to determine whether it will be adequate. A sufficient and stable pool of allowances is essential to our long-term competitiveness. We also believe the bill uses an inappropriate and ineffective distribution system, unchanged from the House-passed climate bill. This bill, like the House bill, may result in an arbitrary selection of beneficiaries and losers within covered sectors, does not create a level playing field for EITs and may result in carbon leakage.

“The U.S. industrial sector is the only sector of the U.S. economy whose GHG emissions are falling, and we supply many of the materials the nation uses for energy efficiency and renewable energy. We will continue to work constructively with Senators as climate legislation is discussed, and ask that policymakers develop policies that maintain the global competitiveness of the U.S. manufacturing sector.”

The Aluminum Association
American Chemistry Council
American Forest & Paper Association
American Iron and Steel Institute

www.aluminum.org
www.americanchemistry.com
www.afandpa.org
www.steel.org

The Fertilizer Institute
Portland Cement Association

www.tfi.org
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