

**OPENING STATEMENT**  
**The Honorable Ralph Hall (R-TX), Chairman**  
Full Committee Hearing  
*Out of Thin Air: EPA's Cross-State Air Pollution Rule*

September 15, 2011

I want to welcome everyone here today for this hearing entitled Out of Thin Air: EPA's Cross-State Air Pollution Rule. I particularly want to thank all the witnesses on the first panel who provided their testimony on time. Despite being told more than three weeks in advance about this hearing, Assistant Administrator McCarthy submitted her testimony less than 24 hours in advance of this hearing and well past the Committee's deadline. This is yet another example of the Administration's disrespect to the Congress.

A week ago President Obama gave a speech about jobs and asked Congress to give him \$450 billion in new money to spend. As we debate the merits of that proposal, I hope the Administration will recognize the single most important thing it can do for the economy doesn't cost a dime; all it takes is for the President to assert some leadership and get the out-of-control EPA to stop its regulatory assault on American jobs.

The issue before us today is a prime example of that. The Cross-State rule is intended to ensure upwind States do not negatively impact the air quality of their downwind neighbors, a seemingly reasonable concept. In reality, however, it serves as another monument to the activist EPA's legacy of putting bad politics ahead of good science without regard to economics. To fully state the number of problems with this rule would far exceed my five minutes, but there are a few that require mentioning.

First, issuing a rule forcing major installations of pollution control equipment and expecting States to comply with it five months later is unheard of even by EPA's previous track record, and appears to be setting up States to fail. To add insult to injury, EPA added Texas and several other states to the rule at the last minute, without giving affected stakeholders the ability to review or comment on this decision. Incredibly, EPA has staked its justification for the inclusion of Texas on the basis of a single projected impact on a county in Illinois. Just to be clear, EPA has *modeled* a potential affect in a single area hundreds of miles away -- this has not been actually measured. In fact, that county is currently meeting the standard.

Furthermore, the model assumptions EPA uses to estimate such linkages are hidden from the public and not subject to peer review.

These black box models allow EPA to pick and choose its input data and assumptions free from technical scrutiny. That is not how science should be done.

Today we will hear from witnesses from States that have been adversely affected by this rule. The concerns are the same: not enough time; EPA's abuse of modeling to justify the rule; and electrical reliability concerns that will result from the rule's implementation. As for my state of Texas, it is important to note that it is a clean air success story. Through a flexible, pro-jobs, all-of-the-above energy strategy, Texas has achieved recent environmental progress that eclipses many other States in the country. Since 1995, electric utilities in Texas have reduced sulfur dioxide emissions by 26 percent and NOx emissions by 62 percent. The Cross-State Air Pollution Rule requires Texas to reduce its SO<sub>2</sub> emissions by an additional 47 percent, by January 1, 2012.

Last week during a Congressional hearing, Assistant Administrator Gina McCarthy stated, "I don't want to create the impression that EPA is in the business of creating jobs." I want to assure Ms. McCarthy not to worry—Americans are *not* getting that impression. I think it is a shame for an Administration official to make a smart-aleck remark like that when real people are in jeopardy of losing their jobs.

Just this week, Texas companies have announced that they will have to cut jobs, specifically in response to this rule. EPA may not be in the business of creating jobs, but with more than nine percent unemployment, it certainly should not be in the business of destroying them either, which is what will happen if this rule goes into effect the way you have planned.

I now recognize Ranking Member Johnson for five minutes for an opening statement.