

BILL ANALYSIS

Senate Research Center
82R4524 BPG-F

S.C.R. 20
By: Fraser
Natural Resources
3/18/2011
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The business climate in Texas has been consistently ranked as the best in the United States, and the state's economy regularly outpaces the rest of the nation.

Texas produces approximately 60 percent of all chemicals manufactured in the United States, as well as 30 percent of the nation's natural gas and 20 percent of its oil. In addition, the state leads the nation in overall electricity production, and its competitive wholesale power market is among the most robust and demand-responsive in the country.

The manufacturing sector contributes \$96 billion annually to the Texas economy and employs more than one million Texans at some of the highest salaries in the state. The continued economic health of the state is dependent on this vital sector, and Texas is competing globally to protect existing business investment and attract new jobs.

Texas has not been immune to the global economic recession. Over the past two years, some manufacturers have shut down and there have been significant job losses. Yet, in spite of this challenging business climate, the Environmental Protection Agency (EPA) has moved forward with the regulation of greenhouse gas emissions from stationary sources such as refineries, chemical plants, power plants, and other commercial establishments.

The EPA claims that greenhouse gas emissions are air pollutants under Section 202(a) of the Clean Air Act, but that act was designed to regulate conventional pollutants, such as ozone and particulate matter, that create local air quality problems, and not unconventional pollutants, such as greenhouse gases, which are found in essentially equal concentrations around the globe. In formulating its plan to regulate greenhouse gases, the EPA failed to identify cost-effective technology to meet the demands of such regulation and instead invoked the legal doctrine of "absurd results," essentially admitting that implementing the new rules would overwhelm the administrative capabilities of state permitting authorities and the agency itself.

Congress and the scientific community continue to engage in vigorous, legitimate, and substantive debate regarding the regulation of greenhouse gases. Meanwhile, the EPA has acted on its own to institute a backdoor regulatory regime, an abuse of power with serious implications. These regulations are projected to cost Texas more than 300,000 jobs because of increased energy prices, compliance with required greenhouse gas permit conditions, and greater competition from overseas manufacturers that have lower energy costs. Furthermore, as it has communicated to the EPA, the State of Texas does not have the legal authority to regulate greenhouse gas emissions from stationary sources in the manner proposed by the EPA.

The EPA's regulation of greenhouse gas emissions from stationary sources will prove highly detrimental to the manufacturing and energy sectors in an already struggling economy and will cause additional job losses that the nation can ill afford.

RESOLVED

That the 82nd Legislature of the State of Texas hereby respectfully urge the Congress of the United States to take such actions as are necessary to prevent the Environmental Protection Agency from regulating greenhouse gas emissions from stationary sources.

That the Texas secretary of state forward official copies of this resolution to the president of the United States, to the EPA administrator, to the president of the Senate and speaker of the House of Representatives of the United States Congress, and to all the members of the Texas delegation to Congress with the request that this resolution be entered in the Congressional Record as a memorial to the Congress of the United States of America.