

**Oral Statement of Jeffrey R. Holmstead  
before the  
House Committee on Energy and Commerce  
Subcommittee on Environment**

**Hearing on  
New Source Review Permitting Challenges  
for Manufacturing and Infrastructure  
February 14, 2018**

Thank you for giving me the chance to testify this afternoon.

For almost 30 years, I have focused my professional career on the Clean Air Act – as a White House Staffer, as the head of the EPA Air Office, and as an attorney in private practice. I think that even my good friend John Walke from NRDC would concede that I am very familiar with all the Clean Air Act programs that apply to major manufacturing and energy facilities.

You might be surprised to know that there are many different CAA programs that regulate the very same pollutants from these very same facilities. For example, SO<sub>2</sub> and NO<sub>x</sub> emissions from coal-fired power plants – the pollutants that have historically been of greatest concern – are regulated under at least 14 different Clean Air Act programs. Yes, 14.

Acid Rain  
The NO<sub>x</sub> SIP Call  
MATS  
NSPS  
Regional Haze  
The 110(a)(2)(d) “good neighbor” provision  
Section 126  
CSAPR  
BART  
The SO<sub>2</sub> NAAQS  
The NO<sub>2</sub> NAAQS  
The Ozone NAAQS  
The PM<sub>2.5</sub> NAAQS  
and NSR.

If I had said the full names of these programs instead of the acronyms, I would have used up all my time.

Over the last 25 years, regulators and policy analysts have learned a lot about regulatory policy – what works well and what doesn't – and will tell you that some of these programs are much more effective than others. Because of all the overlapping regulatory programs, our society – you and I and all the people you represent – are paying much more than we need to pay for preserving and improving air quality. If we take advantage of the lessons that have been learned over the last 25 years and use only the most cost-effective approaches for reducing air pollution, we can achieve the same air quality goals that we have today at a much lower cost.

Today we are talking about just one Clean Air Act program known as new source review or NSR. As the name implies, this is an important program for regulating emissions from new sources – power plants and industrial facilities. But over the last 20 years, as EPA has tried to expand it to capture as many existing sources as possible, NSR has become a convoluted, burdensome, and completely unnecessary mess.

As someone who has worked on Clean Air policy for almost three decades, I can say with confidence that the NSR program, as it applies to existing facilities, is the least successful and most counterproductive of the dozens of programs created under the Clean Air Act. To the extent that it provides environmental benefits, those same benefits can be preserved by reforming the program in a thoughtful way and by relying on other, much more effective programs that regulate the same pollutants from the same facilities.

The critique offered by my friend from NRDC in his written testimony is more than a bit over the top. I did a word search last night and found 10 different places where he says that the reforms being proposed by Congressman Griffith would allow either **“massive” or “enormous” increases in “harmful air pollution”**; 15 places where he says the bills **would allow facilities to “evade pollution controls”**; and 11 places where he uses the words **“reckless” or “irresponsible”** to refer to the proposed reforms.

Statements like this are just plain silly – and demonstrably untrue. They ignore the fact that every single existing facility that is covered by the NSR program is also regulated by multiple other Clean Air Programs – in the case of coal-fired power plants, as many as 13 other programs that regulate the very same pollutants covered by NSR. I can guarantee that, even if the NSR program for existing

facilities completely disappeared tomorrow, there would not be a “massive increase in air pollution.” In fact, there would be no increase at all. Because of the many other programs that regulate the same pollutants from the same facilities, air pollution would continue to decrease as it has since 1990.

As I explain in my written statement, the reforms being proposed by Mr. Griffith would simply re-introduce some common sense into the NSR program and make sure that it does what it was intended to do:

1. Ensure that, when a new industrial facility is built or an existing facility is significantly expanded, modern pollution controls will be used to minimize its emissions; and
2. Ensure that the NSR program does not make it hard for companies to keep their facilities in good working order and, where possible, to reduce the operating cost of these facilities by making them more efficient.

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Again, I thank you for inviting me here today, and I look forward to answering any questions that you may have.