



North Carolina
Chamber

A force for business.

August 19, 2011

The Honorable Valerie B. Jarrett
Senior Advisor to the President
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20015

Dear Ms. Jarrett:

On behalf of the North Carolina Chamber, I am writing to express concern with the U.S. Environmental Protection Agency's (EPA) proposed Utility MACT rule. As the nation rebounds from the worst recession in over a generation, North Carolina businesses oppose the strict and costly compliance timeline mandated by the Utility MACT rule.

The Utility MACT rule was introduced in March to advance new emission controls for the electric utility industry. In its own economic analysis the EPA estimated that the Utility MACT rule will cost affected businesses \$10.9 billion – making this one of the most expensive rules in the history of the agency. It is estimated that North Carolina will lose a staggering 47,000 jobs due the cost of the Utility MACT rule, coupled with the effects of another EPA regulation.

The Utility MACT Rule, however, is only one of several recently proposed rules by the EPA that imposes great burdens on businesses small and large in North Carolina. The cumulative costs and overlapping time frames for compliance to these regulations will be detrimental to economic growth, business development and innovation in our state. A study by the National Economic Research Associates (NERA) assessed the collective impact of the Utility MACT rule and the Cross-State Air Pollution Rule would cost the national electric sector nearly \$184 billion over the next 20 years. Additionally, the study estimates that the rules would lead to a 12.7% increase in North Carolina's average retail electricity price by 2016. During a period of slow economic recovery, businesses need greater predictability and certainty to create jobs. The confluence of new regulations will not only stifle job creation, but will inevitably lead to job loss, plant shutdowns and increased energy prices.

As the November deadline for the finalized Utility MACT rule approaches, the North Carolina Chamber urges the Administration to work with the EPA to examine the cumulative impact and cost of this regulation and others that will affect the power sector, manufacturers and other industries vital to North Carolina's economy. Thank you for your time and consideration.

Sincerely,

S. Lewis Ebert
President and CEO