

# United States Senate

WASHINGTON, DC 20510

July 28, 2011

The Honorable Harry Reid  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
Washington, D.C. 20510

Dear Majority Leader Reid and Minority Leader McConnell,

As the Environmental Protection Agency (EPA) continues to review aspects of the rules regulating the U.S. cement industry, we remain supportive of reasonable relief from regulations relating to the Portland Cement National Emission Standards for Hazardous Air Pollutants (NESHAP) that were finalized in September 2010. These regulations threaten to reduce nearly 20% of domestic cement manufacturing capacity within the next two years. Cement is the key ingredient in concrete, the foundation of American infrastructure.

The U.S. cement industry is suffering through its greatest decline since the 1930s with current employment down to a mere 15,000 high-wage jobs and less than \$6.5 billion in 2009 annual revenues. This represents a 25% reduction in employment and 35% reduction in revenues from pre-recession levels. At a time when the cement industry can least afford significant investments resulting from new mandates, industry analysts estimate that this single EPA rule will cost \$3.4 billion in compliance costs, representing approximately 1/2 of the cement industry's annual revenues. The EPA's own analysis estimates initial capital costs of \$2.2 billion and ongoing annualized costs of \$377 million.

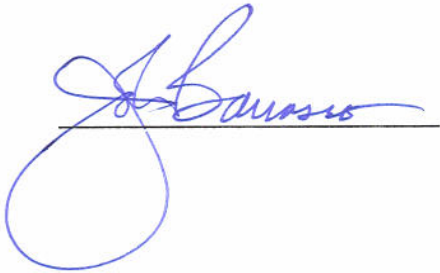
Cement manufacturers do not oppose the regulation of emissions, and have a long history of working with EPA to craft reasonable standards to protect human health and the environment. However, the Portland Cement Association (PCA) estimates that this rule will close or idle 18 cement plants, costing 1,800 high-wage jobs and a loss of up to 9 million tons of domestic production capacity. Since 2007, the cement industry has already shed 4,000 high-wage jobs. Moreover, due to the overly stringent standards in the rule, it will undermine incentives to upgrade existing facilities and build new, greenfield plants.

The U.S. cement industry is critical to U.S. construction and economic recovery. Now is not the time to impose new regulations that displace American production and jobs overseas. The increase of cement imports will come predominantly from developing countries with little to no emission controls compared to those that already exist in this country. The net result would be both the increased import of foreign cement, and related increases in unregulated international emissions.

We wish to provide the U.S. cement manufacturers the opportunity to recover from the current recession and continue their work with EPA to reconsider aspects of the rule before embarking on a regulatory program that will significantly erode domestic cement capacity. Legislation may achieve the twin goals of allowing sufficient time for the legal and administrative processes to move forward while giving cement manufacturers more time to recover from the recession, and therefore make the necessary investments that will be necessary to grow jobs.

We cannot afford to lose American jobs in an industry that is critical to U.S. infrastructure. Due to our economy's dire financial situation, we request your support for providing a balanced policy approach to an important jobs issue by crafting reasonable legislative relief to allow the cement industry to play a vital and strategic role in the nation's economy now and in the future.

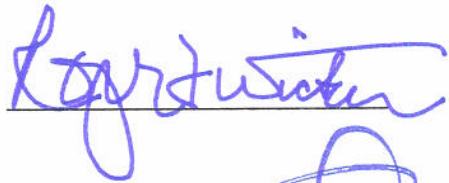
Sincerely,



J. Baraso



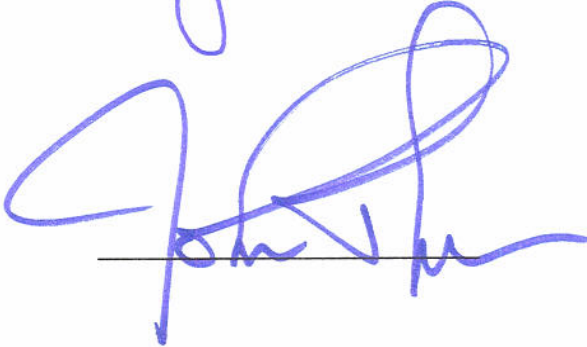
P. Marchbanks



R. Wicker



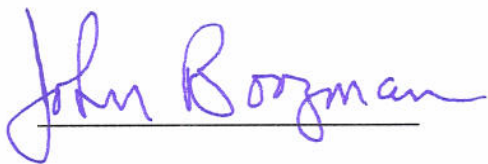
M. G. Gardner



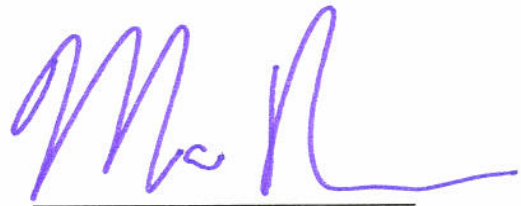
John Hu



Mike Cryo



John Boozman



M. R.

John Cornyn

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Paul Vitter

Roy Blunt

Pat Romney

Michael B. Enzi

Pat Roberts

Jerry Moran

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Johnny Isakson

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Laura Alexander

Jose Neuhorst

Dan Coak

Jan O'Rourke

Mike Johnson