



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

FEB 08 2011

THE ADMINISTRATOR

The Honorable Henry A. Waxman
Ranking Member
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515-6115

The Honorable Bobby L. Rush
Ranking Member
Subcommittee on Energy and Power
Committee on Energy and Commerce
Washington, DC 20515-6115

Dear Congressman Waxman and Congressman Rush:

Thank you for your February 1 letter about the role that implementing the Clean Air Act plays in American job creation and economic growth. The Environmental Protection Agency's Office of Policy has completed the enclosed white paper in response to your inquiry. The balance of this letter includes highlights from that paper.

The EPA's priority is safeguarding the health of the American people. Implementing the Clean Air Act in service to that imperative strengthens the American economy. It does so by saving millions of American adults and children from the debilitating and expensive illnesses that occur when smokestacks and tailpipes release unrestricted amounts of harmful pollution into the air that all of us breathe. In 1990 alone, EPA's implementation of the Act prevented an estimated 18 million child respiratory illnesses, 850,000 asthma attacks, 674,000 cases of chronic bronchitis, and 205,000 premature deaths.¹ The mere monetary value of saving Americans from those harms through implementing the Clean Air Act is projected to reach \$2 trillion in 2020 alone.² Over the period from 1990 through 2020, the monetary value to Americans of the Act's protection is projected to exceed the cost of that protection by a factor of more than 30 to 1.³

In addition to lowering healthcare costs, increasing productivity, and saving lives, the EPA's implementation of the Clean Air Act's public health protections creates American jobs. Updated standards for cutting harmful air pollution at American facilities spur investments in the

¹ EPA, *Section 812 Retrospective Analysis: The Benefits and Costs of the Clean Air Act, 1970 to 1990*, October 1997 (http://www.epa.gov/oar/sect812/1970-1990/chptr1_7.pdf).

² EPA, *Section 812 Prospective Analysis: The Benefits and Costs of the Clean Air Act, 1990 to 2020*, August 2010 (<http://www.epa.gov/oar/sect812/aug10/fullreport.pdf>).

³ *Id.*

design, manufacture, installation, and operation of pollution-reducing technologies. Those activities create jobs for Americans across a wide range of industrial professions and crafts. Many power plants and factories slated to receive job-creating, pollution-reducing upgrades to meet updated Clean Air Act standards are located in the same highly industrialized regions where unemployment currently is particularly high. Importantly, jobs installing or operating pollution controls at American facilities cannot be sent abroad. Data from the International Brotherhood of Boilermakers indicates that the number of boilermakers in the United States increased by 6,700 – or 35 percent – from 1999 to 2001 as a result of the EPA’s standards to implement the Clean Air Act.⁴ The Institute of Clean Air Companies estimates that preparations to comply with just one of those standards have occupied approximately 200,000 person-years of labor over the past seven years.⁵

It has been reported that American companies are currently holding record amounts of cash, but are not investing it in ways that increase employment, such as improvements to their facilities.⁶ The EPA’s updated public health safeguards under the Clean Air Act will encourage investments in labor-intensive upgrades that will put currently unemployed or under-employed Americans back to work. In fact, economists have noted that environmental spending is more labor intensive than many other business expenditures.⁷

The EPA’s implementation of the Clean Air Act is one of the reasons for the dramatic growth of the U.S. environmental technologies industry and its workforce. By 2008, that industry was generating approximately \$300 billion in annual revenues and directly supporting nearly 1.7 million jobs.⁸ Air pollution control equipment alone generated revenues of more than \$18 billion in 2007.⁹

Environmental technology exports also strengthen the U.S. trade balance, generating a \$11 billion surplus in 2008.¹⁰ Those exports have grown dramatically, from less than \$10 billion in 1990 to \$43.8 billion in 2008, and the U.S. share of foreign environmental technology markets has been increasing.¹¹ Just from 2002 to 2004, America’s exports of environmental technology to China grew by 125 percent.¹² The Heads of the European Environmental Agencies projected

⁴ International Brotherhood of Boilermakers, *Boilermaker Labor Analysis and Installation Timing*, March 2005, EPA Docket OAR-2003-0053 (docket of the Clean Air Interstate Rule).

⁵ November 3, 2010 letter from David C. Foertner, Executive Director of the Institute of Clean Air Companies, to Senator Thomas R. Carper (http://www.icac.com/files/public/ICAC_Carper_Response_110310.pdf).

⁶ See, e.g., Justin LaHart, “Companies Cling to Cash: Coasters Swell to 51-Year High as Cautious Firms Put Off Investing in Growth,” *The Wall Street Journal*, December 10, 2010.

⁷ Richard D. Morgenstern, William A. Pizer, and Jih-Shyang Shih, “Jobs Versus the Environment: An Industry-Level Perspective,” *Journal of Environmental Economics and Management*, May 2002, Vol. 43, no. 3, at 412-436.

⁸ Environmental Business International, Inc., *Environmental Business Journal*, April 2010 (<http://web.ita.doc.gov/ete/eteinfo.nsf/068f3801d047f26e85256883006ffa54/4878b7e2fc08ac6d85256883006c452c?OpenDocument>).

⁹ U.S. Department of Commerce International Trade Administration, *Environmental Technologies Industries: FY2010 Industry Assessment* ([http://web.ita.doc.gov/ete/eteinfo.nsf/068f3801d047f26e85256883006ffa54/4878b7e2fc08ac6d85256883006c452c/\\$FILE/Full%20Environmental%20Industries%20Assessment%202010.pdf](http://web.ita.doc.gov/ete/eteinfo.nsf/068f3801d047f26e85256883006ffa54/4878b7e2fc08ac6d85256883006c452c/$FILE/Full%20Environmental%20Industries%20Assessment%202010.pdf)).

¹⁰ *Id.*

¹¹ *Id.*


¹² U.S. Department of Commerce International Trade Administration, *Energy and Environment Export News*, August 2005 (<http://www.ita.doc.gov/media/publications/pdf/een02.pdf>).

in 2005 that the annual world market for environmental goods and services would surpass \$700 billion by 2010, making it comparable to the aerospace and pharmaceutical industries.¹³ America currently leads the world in this industry. We should not forfeit the lead or miss out on the extraordinary opportunity to continue supplying the world with environmental technology stamped "Made in the USA."

In sum, the EPA's work to implement the Clean Air Act's public health protections creates American jobs and bolsters the global competitiveness of American industry, even as it lowers healthcare costs and protects American families from birth defects, illnesses, and premature death.

Thank you again for your letter. If you have any further questions, please do not hesitate to contact me or to have your staff contact David McIntosh, Associate Administrator for Congressional and Intergovernmental Relations, at (202) 564-0539.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lisa P. Jackson', with a large, stylized initial 'L'.

Lisa P. Jackson

Enclosure

cc: The Honorable Fred Upton
Chairman, Committee on Energy and Commerce

The Honorable Ed Whitfield
Chairman, Subcommittee on Energy and Power
Committee on Energy and Commerce

¹³ Network of Heads of the European Environment Protection Agencies, *The Contribution of Good Environmental Regulation to Competitiveness*, November 2005 (http://www.eea.europa.eu/about-us/documents/prague_statement/prague_statement-en.pdf).