Opening Statement
Chairman Paul D. Tonko
Subcommittee on Environment & Climate Change
Committee on Energy and Commerce
Hearing on "Building a 100 Percent Clean Economy: Pathways to Net Zero Industrial Emissions"
September 18, 2019

Today's hearing will examine greenhouse gas emissions associated with the industrial sector, which includes a wide-range of manufactured products and processes, including several energy-intensive and trade-exposed industries.

Many of these industrial products are critical to our economy, including steel, cement, chemicals & fertilizers, glass, paper, and aluminum products to name a few.

Despite their importance to our lives, they are also a large and overlooked source of emissions and projected to grow through mid-century.

We cannot achieve meaningful climate targets, such as our economy-wide, net-zero by mid-century goal, without significantly reducing industrial emissions.

But industrial emissions can be difficult to decarbonize. They are often produced from hightemperature, long-duration heat production and chemical reactions.

Unlike much of the power sector and light-duty vehicles, in many cases cost-effective, low-carbon solutions are not commercially available yet. And there is no one solution to cut across all the diverse subsectors.

While decarbonizing industry certainly has its challenges, there are near- and long-term solutions.

In the near-term, there are well-developed technologies and strategies that if given the proper incentives and policy certainty, industry can start to make investments.

These include improving energy efficiency, deploying CHP systems, fuel switching, and increasing recycled content.

The federal government could help form markets and provide assistance to incentivize these types of actions right now. For example, the public sector is a major purchaser of steel and cement. Through the power of procurement policy, we can drive market demand for low-carbon industrial products.

Longer-term options will require significant federal investments in RD&D for technology development, such as carbon capture, utilization, and storage; breakthroughs in chemistry and materials; and use of hydrogen.
Some of these innovative options may take several years to become widely deployed but will likely be necessary to achieve major reductions in the sector.

It is critical that we focus federal efforts today in order to achieve targets that are still decades away.

Unlike other sectors, many energy-intensive industries face global competition. Poorly designed policies risk the leakage of pollution, production, and jobs overseas.

Many of us know the consequences of deindustrialization. I do not have to look any further than my hometown.

Manufacturing has always been a gateway to the American middle class. It was the lifeblood of my, and many other, communities across the country. And sadly, we know what happens to communities when production moves overseas.

Our policy preferences should seek to both spur decarbonization and promote domestic, advanced manufacturing.

Rebuilding, retooling, and reinvigorating American manufacturing must be a fundamental component of our climate response.

That is why I believe it is imperative to understand, and seek to mitigate, potential competitiveness concerns rather than dismiss them.

At the end of the day, it is good for both us and global climate action if these manufacturers continue to operate here, where they employ Americans and produce more cleanly than their foreign competitors.

In order to succeed, Congress must provide the assistance necessary to enable U.S. industry to achieve ambitious targets on a reasonable and certain timeline. This will likely need to be done with a mix of incentives and requirements.

Without a doubt, decarbonization of the industrial sector will be challenging. I hope today we can better understand those challenges and the potential solutions.

But above all, we must recognize that industrial decarbonization is necessary and possible with the right mix of well-designed policies, federal investments, and market development.

Through smart climate and industrial policy, Congress can help American manufacturers transition to cleaner production while investing in the technologies, practices, and people that will make us globally competitive long into the future.