

**TESTIMONY OF GLENN HAMER, PRESIDENT AND CEO,  
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**BEFORE THE U.S. HOUSE ENERGY AND COMMERCE COMMITTEE**

**SUBCOMMITTEE ON ENVIRONMENT, MANUFACTURING AND CRITICAL MATERIALS**

Hearing on

*“Protecting American Manufacturing: Examining EPA’s Proposed PM2.5 Rule”*

**SEPTEMBER 19, 2023**

Good morning, Chair Johnson, Ranking Member Tonko and distinguished members of the subcommittee. Thank you for the opportunity to appear before you and for holding this important hearing today on protecting manufacturing in America.

**Introduction**

My name is Glenn Hamer. I am the President and CEO of the Texas Association of Business. I not only represent Texas businesses but also share the concerns of the broader manufacturing community, working closely with the National Association of Manufacturers as its official state partner and on the U.S. Chamber of Commerce’s Committee of 100 that advises their board of directors. TAB’s purpose is to champion the best business climate in the world, unleashing the power of free enterprise to enhance lives for generations. In my time at TAB, we have seen explosive growth throughout the Texas economy. With a \$2.3 trillion GDP, we officially surpassed Italy as the 8th largest economy in the world. Not only are we no. 1 for corporate headquarter relocations – but we are also no. 1 for job creation, trade, Fortune 500 companies, semiconductor exports, and energy. Texas boasts a \$33 billion budget surplus, which is now being invested in

broadband, water, roadways, and other vital infrastructure components that could be impacted by more stringent EPA rules.

Our members are facing a regulatory onslaught, which includes numerous proposed federal environmental regulations that, if finalized in their current form, can cause serious harm to the economy. Manufacturers in America have worked with EPA and their state partners to significantly lower fine particulate matter (PM2.5) and other criteria pollutants. Yet EPA has proposed a discretionary regulation on PM2.5 that could put nearly 40% of the U.S. population in areas of non-attainment<sup>1</sup>, putting jobs and livelihoods at risk as factories may no longer be able to operate if located in an area that is in non-attainment and no new facilities can be built to grow economic prospects.

### **PM2.5 emissions have drastically decreased**

EPA's 2022 Air Trends and National Emissions Inventory reports show that PM2.5 concentrations have declined by 42 percent since 2000<sup>2</sup>, driven by major emissions reductions from both mobile sources and the power sector. As a result, our air is cleaner than ever. The current standard for PM2.5 is 12 µg/m<sup>3</sup>; yet EPA is considering a standard as low as 8 µg/m<sup>3</sup>—which is even lower than natural background levels for many parts of the country. This standard is far more stringent than the guidelines in place in Europe, where the current EU standard is 25 µg/m<sup>3</sup> with a proposed reduction to 10 µg/m<sup>3</sup> by 2030.<sup>3</sup> Notwithstanding EPA's proposal, the vast majority of remaining PM2.5 emissions in the U.S. (84%) now come from wildfires, road dust and other non-

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<sup>1</sup> *Ibid*

<sup>2</sup> [https://gispub.epa.gov/air/trendsreport/2023/#air\\_trends](https://gispub.epa.gov/air/trendsreport/2023/#air_trends).

<sup>3</sup> [https://environment.ec.europa.eu/publications/revision-eu-ambient-air-quality-legislation\\_en](https://environment.ec.europa.eu/publications/revision-eu-ambient-air-quality-legislation_en)

point sources.<sup>4</sup> As we have seen this year, wildfires have had a demonstrable effect on air quality in the U.S.

As the Texas State Chamber, we advise smart regulations that provide certainty, without burdening job creators with high compliance costs. Overburdensome regulations tend to have a ripple effect throughout each industry's ecosystem. For example, new manufacturing facilities or expansions could not be built in areas of non-attainment, nor could new bridges or roads. Our ability to secure our supply chains, increase manufacturing of products that make modern life possible and revitalize our nation's infrastructure can be threatened by tightening the standards because we would not be able to build new facilities to manufacture additional materials necessary to meet our increasing needs for domestic manufacturing.

### **Economic Impact**

Lowering the PM2.5 standard will negatively impact economic growth. A recent analysis conducted by Oxford Economics and commissioned by the NAM found that if the proposed PM2.5 regulations are implemented, GDP will be reduced by nearly \$200 billion and put nearly 1 million current jobs at risk.<sup>5</sup>

Notably, these economic impacts will be localized rather than evenly dispersed across the country. This means that communities in Texas, California, Michigan, Ohio, Pennsylvania, Georgia, Nevada, Arizona and Illinois—the most impacted states—will miss out on new manufacturing facilities and jobs due to the permitting roadblocks mandated as a result of tighter standards. Under the proposed rule close to 650

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<sup>4</sup> [https://gispub.epa.gov/air/trendsreport/2023/#air\\_trends](https://gispub.epa.gov/air/trendsreport/2023/#air_trends).

<sup>5</sup> <https://www.nam.org/competing-to-win/oppose-regulations/>

counties, equivalent to 22 percent of all U.S. counties, could be placed out of attainment.<sup>6</sup>, which could divert investment away from the United States into countries with more lenient air quality standards, undermining the goals of the EPA.

Texas Governor Greg Abbott likes to say we are the “Headquarters of headquarters.” This is the premier destination for companies to relocate and expand. But tighter standards could block large companies and small firms that are flocking to our state. The list of recent project announcements keeps growing, such as McMaster-Carr supply company that is planning a new \$180 million regional headquarters in Fort Worth, which would create 250 new jobs. General Motors is investing \$500 million in their Arlington Assembly plant to build the next generation of full-size gas-powered SUVs. Albers Aerospace is bringing a new facility to Amarillo that would create more than 400 new jobs with an economic impact of more than \$100 million. The list goes on and on, including CoreWeave, which plans on building a new \$1.6 billion data center in Plano. These new investments will help power growth in the Lone Star State. But this progress could be stalled or reversed entirely if the proposed PM2.5 regulations are imposed to take local areas out of attainment.

### **Difficult to comply**

As the PM2.5 standards approach background levels -- meaning the levels that naturally occur are over the proposed regulation -- there are fewer tools available for compliance. Moreover, these proposed standards are aspirational in that they are set at background levels, which effectively means that any industrial emissions could put a locality out of attainment. While manufacturers continue to innovate, making cleaner,

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<sup>6</sup> <https://www.epa.gov/-/media/files/policy/ozone-naaqs/2023-particulate-matter-booklet.pdf>

better products, no manufacturer can comply with a regulation that sets the standard at effectively zero.

### **Conclusion**

Given the significant progress to reduce emissions and the potential harm that could be caused by lowering standards further, we strongly encourage EPA to maintain the existing standards while continuing to support innovation, which will ensure we remain among the countries with the cleanest air in the world while also supporting much needed economic growth.