



EPA Regulations on Coal Become an Election Issue

Specifically, under the Obama administration, the Environmental Protection Agency (EPA) has inflicted a crippling blow to the coal industry with its new regulations on greenhouse-gas emissions. But the regulations are not only precipitating a rise in energy prices, they are also causing a mass exodus of jobs — particularly in several election battleground states, including Michigan, Colorado, and Ohio.

In fact, legislators on both sides of the political aisle assert that the Obama administration's new environmental rules could be even more economically perilous than the President's decision to reject the Keystone XL pipeline. House Speaker John Boehner (R-Ohio) sent a letter to Obama last week slamming the EPA's reckless environmental rule-making, citing a mercury rule and a host of other regulations that would reportedly eliminate nearly 200,000 jobs per year.



"You have rightly noted that oil production alone cannot solve our energy challenges," stated Boehner. "That's why we've also been disturbed by regulations proposed by your administration, such as the Utility-MACT rule, that would increase costs and limit the supply of other domestic sources of energy." The House Speaker added, "These rules, the most expensive in EPA history, stand to cost 180,000 American jobs per year and would force the premature retirement of 12 percent of America's coal-fired energy generation."

According to a study by the National Economic Research Associates — the <u>analysis</u> to which Boehner is referring — most layoffs will take place between 2013 and 2020, resulting in a grand total of 1.44 million jobs lost. Florida, Missouri, Pennsylvania, Ohio, and Michigan are expected to be some of the <u>hardest hit states</u>.

Late last month, a bipartisan coalition of 219 congressional members submitted a letter to the Office of Management and Budget requesting that the EPA's burdensome rule-making procedures come to an end. "Affordable, reliable electricity is critical to keeping and growing jobs in the United States, and such a standard will likely drive up energy prices and threaten domestic jobs," the lawmakers wrote. "Forcing a transition to commercially unproven technologies could send thousands of jobs overseas and raise electricity rates on families and seniors at a time when the nation can least afford it."

One regulation under the microscope is an EPA rule that was issued in August (but has yet to take effect) intended to curb power-plant emissions that cross state boundaries. According to the







Washington Times,

The rule attempts to reduce ozone and fine-particle pollution and assign state-by-state emissions caps to prevent the interstate transport of pollution and help downwind states meet national air quality standards. It would require power plants in 28 states to reduce nitrogen oxide and sulfur dioxide emissions — both products of coal burning — that cross state lines.

Other EPA rules, which are scheduled to go into effect in 2015, aim to curb mercury pollution by regulating emissions from coal-fired power plants. In anticipation of such regulations, plant operators all across the country have announced, or mentioned in some capacity, layoffs and plant shutdowns.

Before his presidency, Obama often vocally promoted the coal industry, but he has since backpedaled, as environmental groups — a key constituency — ramped up efforts to protest pollution emitted by coal-fired power plants. In response to such environmental opposition, the President reneged on his past rhetoric, and because of these costly new rules, the coal industry is now facing a slew of operational challenges. "So if somebody wants to build a coal-powered plant, they can," candidate Obama told the San Francisco Chronicle in January 2008. "It's just that it will bankrupt them because they are going to be charged a huge sum for all that greenhouse gas that's being emitted."

The impact of the new regulations on the coal industry has been fatal for corporate entities. According to an Associated Press <u>survey</u> released last December, more than 32 power plants across the country will be forced to retire, as new federal air pollution regulations make continued operations far too costly. Those plants, which are mostly coal-fired, currently supply electricity to tens of millions of households, and their closure will lead to mass job layoffs, depleted tax revenues, and a notable spike in electric bills. For example, as *The New American* reported last December, due to the new regulations a New England city will be hit with a tax-revenue time bomb:

Government officials in Salem, Massachusetts, are now scrambling to identify new sources of revenue as the city's coal- and oil-fired power station begins shutting its doors, which will weed out Salem's largest taxpayer. While tourism remains the economic engine in the city, notorious for the 1692 witch trials, the retirement of the Salem Harbor Station will devastate city revenues. Because of the station's closing, Salem will have to forfeit \$4.75 million of its \$70 million in annual tax revenues.

Salem Mayor Kimberley Driscoll said finding new revenue sources without giving in to a substantial boost in property and business taxes will far surpass any other challenge she has faced in her six years in office. "When you take a large chunk of tax revenues like that out of the revenue stream coming into the city, it has an impact if we have to make it up on the backs of other taxpayers," she lamented. "And 85 percent of our taxpayers are residents, so you are talking mostly residential home owners who are feeling struggles and [are] strapped already in meeting their tax obligations."

Writing for the latest issue of *The New American* print magazine, Ed Hiserodt <u>explained</u> the profoundly beneficial impact that coal has had on the human condition, as the Industrial Revolution sparked explosive economic growth and improved countless lives through both financial and health means. "Infant mortality decreased, birth rates and life expectancies increased, and food became more plentiful," Hiserodt reported, "all from an improvement in living conditions brought on by wealth the factory system created."

But as Hiserodt indicates, this torrent of new EPA rules is reversing America's energy progress, and



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citizens will be forced to endure more layoffs and higher electric bills at a time when the economy remains in turmoil. The question is whether or not these truths will impair President Obama's reelection bid, or if American voters will stall their acknowledgement of the facts until the results of the regulations begin to take effect, which will become more visible *after* the 2012 election.

Such regulatory burdens have been a trademark of this administration, reported a *Washington Times* editorial:

The genius of the free market is that it provides consumers with more for less. That principle is turned on its head in the Obama era, as Americans face the prospect of getting less for more when it comes to powering their homes and workplaces. In a poor economy, that's bad news for folks who've already tightened their belts to the final hole.





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