



**American
Iron and Steel
Institute**

Steelgram

Immediate Attention Requested

October 4, 2011

**To: Members of the U.S. House of Representatives
House Staff Assigned to Steel and/or Environment Issues**

SUPPORT THE EPA REGULATORY RELIEF ACT OF 2011 (H.R. 2250)

Background: The steel industry in North America has made great strides to improve its energy efficiency over the past two decades, reducing its energy-intensity by 30% since 1990. In fact, a recent Department of Energy-sponsored report concluded that the steel industry in the U.S. has the lowest energy intensity of any major steel producing nation. One way in which iron and steel manufacturers have achieved these results is by using byproduct gases from coke ovens and blast furnaces to fuel plant boilers that produce steam, electricity, and other thermal energy. Utilization of the process gases as a fuel allows the recovery of energy otherwise wasted, and offsets consumption of fossil fuels, in particular natural gas. This entire practice increases the overall efficiency of steel production facilities and limits their emissions levels of greenhouse gas (GHG).

Unfortunately, EPA's rules for industrial boiler Maximum Achievable Control Technology (Boiler MACT) would result in these beneficial results being lost. As published, the industry will be incentivized to flare off the process gases to meet environmental and safety requirements rather than using them on site. Wasting the process gases, while instead consuming more natural gas, will have the unintended consequence of reducing the industry's efficiency and increasing its fossil fuel consumption and emissions levels. The industry has therefore petitioned EPA to revise the final rule to avoid this unintended consequence by expanding the definition for waste heat boilers to include boilers that use process gas that would otherwise be flared as their primary fuel. This change will improve air quality, reduce energy demands, and recognize the progress that the domestic steel industry has made in the use of recycling process gases. EPA has stayed the effectiveness of the final Boiler MACT rules to allow time to reconsider such issues, but several environmental groups are suing in court to force EPA to put the flawed final rules into effect immediately.

Situation: The EPA Regulatory Relief Act of 2011 (H.R. 2250) is bipartisan legislation that would address far-reaching concerns with the EPA's Boiler MACT regulations. The bill would provide EPA with additional time to reconsider and re-propose the regulations, extend compliance deadlines for regulated entities, and direct EPA to ensure that the final rules are achievable and based on real-world technologies. If EPA is provided this additional time and direction, it will have the ability to re-propose its Boiler MACT regulations so that they recognize the benefits of the use of processes gases in the steel industry.

Request: Congress should act to ensure that EPA's Boiler MACT regulations do not limit the ability of domestic industry to compete internationally and invest in job growth. AISI is concerned that the Boiler MACT regulations, as they are currently written, will have unintended consequences for the steel industry, limiting its ability to be energy efficient and environmentally friendly. AISI therefore urges the House to support the EPA Regulatory Relief Act of 2011 (H.R. 2250) when it is considered on the floor this week.

Thank you for your continued efforts on behalf of American manufacturing.

Sincerely,

A handwritten signature in black ink that reads "Thomas J. Gibson".

Thomas J. Gibson
President and CEO